

***City Council***  
***Special Meeting Agenda***  
**Monday, September 21, 2015**

**City Hall Council Chambers**  
**749 Main Street**  
**7:00 PM**

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|--------------------------|--|
| <b>7:00 pm</b>           | <b>I. CALL TO ORDER</b>  |
| <b>7:00 pm – 9:00 pm</b> | <b>II. DISCUSSION/DIRECTION –<br/>2016 PROPOSED BUDGET</b> <ul style="list-style-type: none"><li>• Draft Financial Policies</li><li>• Daily Fees and Proposed Resident Discounts</li><li>• Pavement Management System and 5 Year Resurfacing Plan</li><li>• Preliminary 2015 Assessed Valuation</li><li>• Budget Questions/Changes</li></ul> |
| <b>9:00 pm – 9:05 pm</b> | <b>III. CITY MANAGER’S REPORT</b><br><b>a. ADVANCED AGENDA</b>   |
| <b>9:05 – 9:10 pm</b>    | <b>IV. BUDGET ITEMS FOR SPECIAL<br/>MEETING ON OCTOBER 13, 2015 AND<br/>POTENTIAL FUTURE AGENDA ITEMS</b>  |
| <b>9:10 pm</b>           | <b>V. ADJOURN</b>  |

**SUBJECT: CITY MANAGER'S PROPOSED 2016 BUDGET AND 2016-2020  
CAPITAL IMPROVEMENTS PLAN (CIP)**

**DATE: SEPTEMBER 21, 2015**

**PRESENTED BY: MALCOLM FLEMING, CITY MANAGER**

**SUMMARY:**

The City Manager provided an overview of the 2016 Budget during the September 15, 2015 City Council meeting. This can be found on the City's website or can be accessed from the link below. This meeting is intended as the venue to address Council's questions about the proposed budget and to incorporate into the budget any changes Council wants to see included for the next Special Meeting on the budget scheduled for October 13, 2015 or the public hearing on the budget scheduled for October 20<sup>th</sup>, 2015.

During the review of the proposed 2016 Budget at the September 15, 2015 City Council meeting Council Members raised some initial requests for additional information. Staff's response and attachments are summarized below:

- Attached are revised draft Financial Policies based on feedback from the June 9, 2015 Budget Retreat. A Council Communication discussing the additional changes and the specific policies are attached.
- Current data and recommendations are provided regarding daily fees and proposed resident discounts at the Recreation/Senior Center.
- An updated Financial Overview section of the Budget Transmittal Letter is provided adding some additional charts and tables. Also added is some narrative and reformatting in some areas. There are significant changes so a clean revised copy is provided.
- Included is a 2016 Program Budget Summary.
- Further information was requested regarding the proposed 5 year resurfacing plan; locations, OCI, etc., in the 5 year CIP. Attached are slides on the pavement management system, maps and graphs indicating what is anticipated from 2016-2020.
- The preliminary 2015 Assessed Valuation from the Boulder County Assessor is attached along with a Council Communication providing revenue calculations and some discussion on TABOR limitations and calculations.

**FISCAL IMPACT:**

See attachments.

**RECOMMENDATION:**

**SUBJECT: PROPOSED 2016 BUDGET AND 2016-2020 CIP**

**DATE: SEPTEMBER 21, 2015**

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Discuss the proposed 2016 Budget and provide direction to staff on specific revisions Council would like to see included for consideration during the October 13, 2015 Special Meeting or the public hearing on October 20<sup>th</sup>, 2015.

**ATTACHMENTS:**

1. [Link to September 15, 2015 City Manager's Proposed 201 Budget and related materials](#)
2. [Link to 2016 – 2020 CIP Material \(Presented September 15, 2015\)](#)
3. Council Communication on draft Financial Policies and specific recommended policies
4. Memo on daily fees and proposed resident discounts at Recreation/Senior Center
5. Updated Financial Overview section of the Transmittal Letter
6. 2016 Program Budget Summary
7. Pavement Management System and 5 Yr. Resurfacing Plan
8. Preliminary 2015 Assessed Valuation and Council Communication

**SUBJECT: FINANCIAL POLICIES**

**DATE: SEPTEMBER 21, 2015**

**PRESENTED BY: KEVIN WATSON, FINANCE DIRECTOR**

**SUMMARY:**

The City of Louisville's Fiscal Policies were originally adopted in 1984. The last significant amendment was made in 1997. Each year, the Fiscal Policies are presented in the City's final budget document. The most recent 2015 Annual Operating & Capital Budget document includes the Fiscal Policies on pages 44 through 49. The current Fiscal Policies are divided into general policies, debt policies, revenue policies, operating budget policies, reserve policies, capital improvement policies, investment policies, accounting policies, and fund balance policies. A copy of the current Fiscal Policies is attached for reference.

One of the Finance Department's goals for 2015 is to update and modernize the Fiscal Policies. The Finance Committee has reviewed preliminary drafts of the Finance Department's proposed policies and has recommended discussion with the entire City Council. A draft of the new Financial Policies that will eventually replace the current Fiscal Policies was presented at the June 9 Budget Retreat.

Based on comments at the Budget Retreat, attached is an amended second draft of the proposed Financial Policies. The proposed policies include an Introduction section and the following policy sections:

1. General Policies
2. Reserve Policies
3. Debt Policies
4. Revenue Policies
5. Operating Budget Policies
6. Investment Policies
7. Capital Asset Management Policies
8. Accounting, Auditing, and Financial Reporting Policies

The proposed Debt Policies have been reviewed by the City's Financial Advisor and the proposed Investment Policies has been reviewed by the City's Investment Advisor. The City's Investment Policy was substantially updated and modernized in 2012, so there are no proposed amendments at this time.

Future policy sections under consideration include long-term financial planning, internal controls, risk management, and an update to the current procurement policy.

The process for developing these policies included a review of Government Finance Officers Association's (GFOA's) Best Practices and other GFOA literature on each subject matter. It also included a review of GFOA's sample policies in each area, which included reviews of actual policies from various counties and municipalities throughout the country.

Staff has attempted to include all the policy elements deemed "recommended best practices" in the proposed policies. Some of these elements are more technical and procedural in nature and may not be of interest to the City Council. Below is a summary of some policy elements that staff thought might be of particular interest to the City Council.

**Introduction**

- Contains a list of definitions related to all policy sections.

**General Policies**

- Proposes a new set of financial indicators to be calculated and disclosed in the City's budget documents.

**Reserve Policies**

- Proposes both minimum and targeted reserve levels for the General Fund, Open Space & Parks Fund, Cemetery Fund (which receives an ongoing subsidy transfer from the General Fund), and the three Enterprise Funds that comprise the Combined Utility Fund.

**Debt Policies**

- Discusses factors which may favor "pay-as-you-go" financing and factors that may favor "pay-as-you-use" financing.
- Discusses and recommends general debt financing structures and methods of sale.
- Does not apply to debt issued by the Urban Revitalization District.

**Revenue Policies**

- States that the City will value diversification, stabilization, and equity within its revenue structure.
- Formalizes the desire to fund all recurring expenditures with recurring revenue and that non-recurring revenue should be used to fund only non-recurring, one-time expenditures.
- Specifically states that the City will set fees for recreational services at a level to support seventy-five percent (75%) of the direct and indirect costs of children's programs and that non-resident recreation participants pay the regular program fees plus an additional fee of 25% or \$5.00, whichever is higher. The Finance

Committee recommended that this requirement from the current Fiscal Policies be included as a starting point for discussion on this specific topic.

**Operating Budget Policies**

- Defines the City's "budgetary basis" of accounting.
- Formalizes the City's legal level of budgetary control at the fund level. In other words, expenditures do not legally exceed appropriations until they do so at the fund level, as opposed to at the department or line item level. Therefore, budget amendments are not legally necessary until fund appropriations are being exceeded.
- Defines "balanced budget" and states the City's intent to also have a *structurally* balance budget.
- Requires a Capital Improvement Plan and a Long-Term Financial Plan to be presented at the time of budget development.

**Investment Policies**

- These are the same policies (just reformatted) that were approved by Council in 2012. No changes are being proposed at this time.

**Capital Asset Management Policies**

- Broadly defines the Five-Year Capital Improvement Plan (C-I-P) process.
- Defines and requires a "balanced" C-I-P.
- States the City's intent to preserve existing infrastructure before allocating resources to new capital projects.

**Accounting, Auditing, and Financial Reporting Policies**

- Officially designates the City's Finance Committee as the City's Audit Committee.
- Discusses the City's internal control structure and the COSO framework.
- Sets the City's capitalization threshold.
- Grants authorization to the Finance Committee, City Manager, and Finance Director regarding "write-offs" of bad debt.

**ATTACHMENT(S):**

1. Current Fiscal Policies as presented in the annual budget document.
2. Proposed Financial Policies

## **Purpose**

The purpose of the City of Louisville's Fiscal Policies is to set guidelines for managing the fiscal affairs of the City. The policies will commit the City to calculate specific information about the City's current fiscal condition, past and future trends, as well as provide guidelines for making fiscal decisions and assuring that the City continues to pursue a financially prudent course. These policies may be added to or modified by Council resolution.

## **Introduction**

The City of Louisville is an organization charged with providing a wide range of services (i.e., elections, drainage, streets, planning, engineering, police protection, parks, libraries, wastewater treatment, water, and recreation). Revenues to support these services are gathered from a large number of sources including property taxes, user fees, fines, sales tax, franchise tax, State sources, and others. The City's Fiscal Policy Plan has been written in order to help the City provide services in a prudent manner within the bounds of available revenue.

(Adopted May 15, 1984, Resolution No. 19)

## **General Policies**

1. That the City of Louisville shall calculate financial indicators consistent with Appendix "A". All indicators shall be compiled each year before preparation of the annual budget. Each new year's indicators shall be compared with those indicators available from past years building a historical record up to a total of ten (10) years. Any indicator, which shows a warning trend when compared with the past year, shall be more closely analyzed for reasons why the change has occurred.
2. The City of Louisville capital facilities estimate their remaining useful life and replacement cost. This inventory shall include streets, drainage facilities, buildings, parks, water and wastewater systems, alleys, sidewalks and curbs, traffic signals, and any other real or personal property items having an original cost of \$5,000 or

more. (As amended August 15, 2006 Ordinance No. 1498, Series 2006)

3. As a provider of public services, the City of Louisville will seek to provide only public services that citizens require or support and for which they are willing to pay.
4. The City will take positive steps to improve the productivity of its programs and employees, and seek ways to eliminate duplicate functions within the City government and semi-autonomous agencies in the community.
5. Although the City will finance projects on a pay-as-you-go basis, Council may conclude, based on study of the economy and other matters, that the most equitable way of financing a project that benefits the entire community will be debt financing (pay-as-you-use) in order to provide the services in a timely manner.
6. During the annual budget process, the City will reassess services and service levels. Council may seek citizen input by surveys, citizen forums, and similar methods for this evaluation.

## **Debt Policies**

7. The City of Louisville will not use long-term debt to finance current operations. Long-term borrowing will be confined to capital improvements or similar projects with an extended life, which cannot be financed from current revenues.
8. Debt payments shall not extend beyond the estimated useful life of the project being financed. The City will try to keep the average maturity of general obligation bonds at or below twenty (20) years.
9. The City of Louisville will maintain good communications with bond rating agencies concerning its financial condition.
10. Total general obligation debt will not exceed three percent (3%) of the actual value of the taxable property within the City.
11. The City of Louisville will not utilize lease purchasing except in the case of an extreme financial emergency with specific approval of



the City Council. If lease purchasing is approved by Council, the useful life of the item must be equal to or greater than the length of the lease. No lease purchase will be approved by City Council beyond a five (5) year lease term.

### **Revenue Policies**

12. The City of Louisville will maintain a diversified revenue system to protect it from short-run fluctuations in any one revenue source.
13. State and Federal funds may be utilized, but only when the City can be assured that the total costs and requirements of accepting funds are known and judged not to adversely impact the City's General Fund.
14. The City Council policy is that user charges will be established so that operating revenues are at least equal to the direct and indirect operating costs. Indirect costs will include the cost of annual depreciation of capital assets.
15. The City of Louisville will set fees for recreational services at a level to support seventy-five percent (75%) of the direct and indirect costs of children's programs. Non-resident recreation participants will pay the regular program fees plus an additional fee of 25% or \$5.00, whichever is higher. (As amended March 18, 1997, Resolution No. 19)
16. The City will annually review all fees for licenses, permits, fines, and other miscellaneous charges. They will be adjusted as necessary after considering inflation, processing time, expense to the City, and any other factors pertinent to the specific item.
17. Non-sufficient funds checks will be assessed a collection charge of fifteen dollars (\$15.00). The amount of collection charge may be reviewed and changed as deemed necessary by the Director of Finance.
18. The City of Louisville will project revenues for the next five years and will update this projection annually. Each existing and potential revenue source will be examined annually.

19. Water and sewer capital revenues will not be used to pay for operating expenses. They will be used solely for the water and sewer improvements and system expansion.

### **Operating Budget Policies**

20. The City of Louisville will maintain a budgetary control system to help it adhere to the budget. The City will prepare monthly status reports and quarterly financial reports comparing actual revenues and expenditures to budgeted amounts. Where practical, the City will develop performance measures to be included in the annual operating budget.
21. The City of Louisville will provide for adequate maintenance of capital plant and equipment, and for their orderly replacement.
22. The City will strive to pay prevailing market rates of pay to its employees. Prevailing market rate is defined to include both salary and fringe benefits.
23. The City of Louisville should not incur an operating deficit.
24. The City will pay for all current expenditures with current revenues. The City's General Fund budget will not be balanced through the use of transfers from other funds, appropriations from fund balances or growth revenue. (As amended January 7, 1986, Resolution No. 1 and March 18, 1997, Resolution No. 19)
25. The City of Louisville will project expenditures for the next five (5) years and will update these projections annually. Projections will include estimated operating costs of future capital improvements that are included in the Capital Improvement Program budget.
26. Administrative Transfer Fee. The Administrative Transfer Fee is a payment from the utility funds to the General Fund for services provided by the General Fund. The amount of each year's transfer fee will be based on the estimated General Fund expenditures that are utility related.



27. The City of Louisville's Water and Sewer Funds will pay the General Fund a franchise fee for the utilization of public streets and rights of way. The fee will be a percent of the operating budget year's projected revenues.

### **Reserve Policies**

28. Policy 28 was Rescinded March 18, 1997, Resolution No. 19. New fund balance policies were created by Resolution No. 42, Series 1997 (Policies 45 through 47)
29. The City of Louisville will establish an equipment reserve fund and will appropriate funds to it annually to provide for timely replacement of equipment.
30. Policy No. 30 has been reserved for future use.

### **Capital Improvement Policies**

31. The City of Louisville will make all capital improvements in accordance with an adopted Capital Improvement Program.
32. The City of Louisville will develop a multi-year plan for capital improvements and update it annually.
33. The City of Louisville will enact an annual capital budget based upon the Capital Improvement Program. This capital budget will be coordinated with the operating budget.
34. The City of Louisville will require that project costs be submitted with capital projects requests. "Full life" costs including operating, maintenance, and demolition, if any, should be listed.
35. The City of Louisville will project its equipment replacement and maintenance needs for the next five years to minimize future maintenance and replacement costs.
36. The City of Louisville will maintain all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and future replacement costs.

### **Investment Policies**

37. The City of Louisville amended its Investment Policy through Resolution No. 14, Series 2012, in order to comply with House Bill 12-1005, which changed the definition of legal investment of public funds by amending CRS Section 24-75-601. This amendment also brought the City's investment policy up to current generally accepted standards. The Policy is located on the City's website at [www.louisvilleco.gov](http://www.louisvilleco.gov).
38. Competitive Quotes – The City will seek competitive quotes on all investments. Investments will be made on the basis of the legality, safety, liquidity and yield of invested money with regard for the characteristics of the investments, the quotes and the quoting institutions.
39. Documentation – All purchase and sales of investments shall be authorized or confirmed in writing with the issuer. Internal controls will be established to ensure the integrity of the investment process. For investment transactions, which are, conducted electronically, confirmation in the form of annotated documentation and confirmation received will be retained.
40. Reporting Requirements – The investment officer shall generate daily and monthly reports for management purposes. The report shall summarize the investment securities, maturities, and any other features necessary for clarification.

### **Accounting Policies**

41. The City will establish and maintain a high degree of accounting practice. Accounting systems will conform to accepted principles of standards of the Governmental Accounting Standards Board, Governmental Finance Officers Association, and the State of Colorado. (As amended March 18, 1997, Resolution No. 19)
42. The City shall apply to the Government Finance Officers Association for its Certificate of Conformance in the Financial Reporting Program.

## Fiscal Policies

- 43. An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official annual financial statement.
- 44. Full disclosure will be provided in the annual financial statements and bond representations.

### **Fund Balance Policies**

(Resolution No. 42, Series 1996)

- 45. General Fund – The minimum unreserved, undesignated fund balance of the General Fund shall be calculated annually at 15% of the then current operating budget.

- 46. Water and Sewer Utility Funds, Operating and Maintenance Reserve – The minimum unrestricted cash balances of the Water and Sewer Utility Funds for operating and maintenance shall be calculated annually based on that year's budget and equivalent to 15% of the then current operating and maintenance budget.

- 47. Water and Sewer Utility Funds, Capital Reserve – The minimum unrestricted cash balances of the Water and Sewer Utility Funds for capital shall be calculated annually based on that year's estimated depreciation and shall include the equivalent of the current annual depreciation expenses.

## Fiscal Policies

### Appendix A Financial Indicators

Category	Indicator	Formula	Warning Trend
<b>Revenues</b>			
1.	General Fund Revenues Per Capita	$\frac{\text{General Fund Revenues}}{\text{Population}}$	Decrease
2.	Intergovernmental Revenues	$\frac{\text{Intergovernmental Revenues}}{\text{General Fund Revenues}}$	Increase
3.	Sales Tax	$\frac{\text{Sales Tax}}{\text{General Fund Revenues}}$	Decrease
4.	Property Tax	$\frac{\text{Property Tax Revenues}}{\text{General Fund Revenues}}$	Decrease
5.	Revenue Shortfalls	$\frac{\text{General Fund Revenues}}{\text{Budget Revenues}}$	Decrease
<b>Expenditures</b>			
6.	General Fund Expenditures Per Capita	$\frac{\text{General Fund Expenditures}}{\text{Population}}$	Increase
7.	Employees Per Capita	$\frac{\text{Number of Municipal Employees}}{\text{Population}}$	Increase
8.	General Fund Expenditures as % of Budget	$\frac{\text{General Fund Expenditures}}{\text{Budget Expenditures}}$	Increase
9.	Fringe Benefits	$\frac{\text{Fringe Benefits Expenditures}}{\text{Salaries}}$	Increase
<b>Operating Position</b>			
10.	Operating Deficits	$\frac{\text{General Fund Operating Deficits}}{\text{General Fund Revenues}}$	Increase
11.	Fund Balance	$\frac{\text{General Fund Fund Balance}}{\text{General Fund Revenues}}$	Decrease

## Introduction

The City of Louisville is an organization charged with providing a wide range of services that are supported by a wide range of revenue sources. The City's Financial Policies have been established to guide the City in providing these services in the most efficient way possible within the bounds of available revenue.

Financial policies are central to a strategic, long-term approach to financial management and are intended to serve as a blueprint to achieve the financial stability required to accomplish the City's goals and objectives. More specifically, the intent of adopting a written set of financial policies is to institutionalize good financial management, clarify strategic intent for financial management, define certain boundaries and limits on actions that staff may take, support good bond ratings, promote long-term and strategic thinking, manage risks to financial condition, and comply with established best practices in public management.

The City's Financial Policies have been written in relatively broad terms as guidelines for financial management decisions. These policies should not be confused with administrative statements of operating procedure, which cover the detailed steps needed to accomplish business processes.

The City's Financial Policies shall be adopted by resolution of the City Council. The policies shall be reviewed annually by management and any modifications made thereto must also be approved by resolution of the City Council.

## Definitions

- *Advanced Refunding* – a refunding in which the outstanding bonds are callable and remain outstanding for a period of more than 90 days after the issuance of the refunding bonds. Proceeds from the sale of the refunding bonds are used to purchase permissible legal securities, which are deposited into an escrow account.
- *Agencies* – federal agency securities and/or Government-sponsored enterprises.
- *Arbitrage* – the difference between the interest paid on the tax-exempt securities and the interest earned by investing the proceeds in higher-yielding taxable securities. The Internal Revenue Service regulates arbitrage on the proceeds from the issuance of municipal securities.
- *Bankers' Acceptance* – a draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.
- *Broker* – brings buyers and sellers together for a commission.

- *Capital Budget* – the first year of the Five-Year Capital Improvement Plan. These amounts are automatically included in the annual budget process.
- *Capital Improvement Plan (C-I-P)* – a plan that describes the capital projects and associated funding sources the City intends to undertake in the next fiscal year plus four additional future years.
- *Collateral* – Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies (Public Deposit Protection Act; CRS 11-10.5-101 et seq.)
- *Current Refunding* – a refunding in which the outstanding bonds are retired within 90 days after the new bonds are sold.
- *Competitive Bond Sale* – bonds are marketed to a wide audience of investment banking (underwriter) firms. Sealed bids are submitted at a specific date and time and the underwriter is selected based on its bid for the City's securities.
- *Dealer* – as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.
- *Delivery-versus-Payment* – delivery of securities with an exchange of money for the securities. Delivery-versus-receipt is delivery of securities with an exchange of a signed receipt for the securities.
- *Full Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when earned and expenses are recognized when the liability is incurred.
- *Fund* – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying out specific activities or attaining certain objectives.
- *Fund Balance* – the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in a governmental fund.
  - *Non-spendable Fund Balance* – fund balance that is inherently non-spendable, such as the long-term portion of loans receivable, the principal of an endowment, and inventories.
  - *Restricted Fund Balance* – fund balance that has externally enforceable limitations on its use, imposed by parties such as creditors, grantors, or laws and regulations of other governments.
  - *Committed Fund Balance* – fund balance with limitations imposed by the government itself at its highest level of decision making. For example, for the City of Louisville, this would be limitations imposed on fund balance by the Council through an ordinance or resolution.

- *Assigned Fund Balance* – fund balance that is earmarked for an intended use at either the highest level of decision making or by a body or an official designated for that purpose.
- *Unassigned Fund Balance* – all fund balances that are left after considering the other four categories. Use is the least restricted in this category of fund balance.
- *Unrestricted Fund Balance* – a category of fund balance that comprises committed fund balance, assigned fund balance, and unassigned fund balance. Unrestricted fund balance is, therefore, unconstrained or the constraints are self-imposed, so they could be lifted in order to make fund balances available for other purposes.
- *General Fund Operating Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Operating Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less other financing sources (such as sales of assets) and interfund transfers-in.
- *General Fund Recurring Expenditures* – as used in the financial indicators, this term refers to total General Fund expenditures, less non-recurring interfund transfers-out.
- *General Fund Recurring Revenue* – as used in the financial indicators, this term refers to total General Fund revenue, less non-recurring building-related revenue, non-recurring and non-operational grants, other financing sources, and interfund transfers-in.
- *General Fund Sales Tax Revenue* – as used in the financial indicators, this term refers to total sales tax revenue less any sales tax rebates due to Business Assistance Packages.
- *General Obligation Bonds* – bonds backed by the “full faith and credit” of the City. Bondholders have the authority to compel the City to use its taxing power, or to use other revenue sources, to generate the revenue necessary to repay the bonds. General obligation bonds are subject to the City’s debt limitation and voter approval is required.
- *Liquidity* – refers to the ease in which an asset can be converted into cash without a substantial loss of value.
- *Modified Accrual Basis of Accounting* – under this basis of accounting, revenue is recognized when it become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when they are expected to draw on current spendable resources.
- *Negotiated Bond Sale* – the City selects the underwriter in advance of the bond sale. The Financial Advisor and City staff work with the underwriter to bring the issue to the market and negotiate all rates and terms of the sale.

- *Open Space & Parks Fund Targeted Fund Balance* – as used in the financial indicators, this term refers to 15% of current operating expenditures plus an amount sufficient to cover the City's share of the total projected cost of acquiring the three highest priority candidate open space properties
- *Private Bond Placement* – the City sells its bonds to a limited number of sophisticated investors, and not the general public.
- *Program* – A set of activities, operations, or organizational units designed and directed to accomplish specific service outcomes or objectives for a defined customer.
- *Refunding* – refinancing an outstanding bond issue by issuing new bonds.
- *Revenue Bonds* – bonds secured by revenue generated by user fees or by other non-ad valorem revenue sources typically generated by the project being financed. Only the specific revenue source is pledged for the bond repayment. No taxing power or General fund pledge is provided as security. Revenue bonds are not subject to the City's debt limitation and voter approval is not required.
- *TABOR* – the Taxpayer Bill of Rights amendment to the Colorado Constitution and other Colorado law and court decisions.
- *Treasuries* – securities issued by the U.S. Treasury to finance the national debt. Treasury Bills are non-interest bearing discount securities that mature in one year or less. Treasury Notes are coupon bearing securities having initial maturities of two to ten years. Treasury Bonds are coupon-bearing securities having initial maturities of more than ten years.
- *Underwriter* – a dealer that purchases new issues of municipal securities from the issuer and resells them to investors. The difference between the price at which the bonds are bought and the price at which they are offered to investors is the underwriter's discount.
- *Utility Fund Budgetary Basis Expenses* – as used in the financial indicators, this term refers to all expenses under the City's budgetary basis of accounting, less capital outlay and interfund transfers-out.
- *Working Capital* – current assets less current liabilities. Used as a measure of *reserves* in proprietary funds. Proprietary funds, unlike governmental funds, report both capital assets and long-term debt, even though neither is directly relevant to near-term financing. Therefore, the difference between proprietary fund assets and liabilities (net position) is not equivalent to the fund balance reported in governmental funds, and is not a useful indicator of *reserves*.
- *Yield* – the rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield or yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



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## General Policies

Policy Section: 1  
Adopted by Resolution No. \_\_, Series \_\_\_\_  
Effective Date:

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### Purpose and Scope

General Policies are financial policies that are not easily categorized under any of the other policy sections. Among other things, these policies will direct management to calculate specific information about the City of Louisville's current fiscal condition, past and future trends, as well as providing guidelines for making fiscal decisions and assuring that the City continues to pursue a financially prudent course.

### Policies

- 1.1 **Financial Indicators.** The City of Louisville shall annually calculate and publish financial indicators consistent with those listed in Appendix "A". All indicators shall be calculated as of year-end and published each year in the budget document, along with the previous year's indicators for up to ten years. Any indicator that shows a warning trend when compared to prior years shall be more closely analyzed for reasons why a change has occurred.

**City of Louisville, Colorado**  
**Financial Policies**  
**General Policy 1.1**  
**Appendix A - Financial Indicators**

Category	Description	Formula	Warning Trend
Revenue:			
	General Fund Revenue Per Capita	$\frac{\text{General Fund Operating Revenue}}{\text{Population}}$	Decrease
	General Fund Intergovernmental Revenue	$\frac{\text{General Fund Intergovernmental Revenue}}{\text{General Fund Operating Revenue}}$	Increase
	General Fund Sales Tax	$\frac{\text{General Fund Sales Tax Revenue}}{\text{General Fund Operating Revenue}}$	Decrease
	General Fund Property Tax	$\frac{\text{General Fund Property Tax Revenue}}{\text{General Fund Operating Revenue}}$	Decrease
	General Fund Actual Revenue vs. Budget	$\frac{\text{General Fund Actual Revenue}}{\text{General Fund Budgeted Revenue}}$	Decrease
Expenditures:			
	General Fund Expenditures Per Capita	$\frac{\text{General Fund Operating Expenditures}}{\text{Population}}$	Increase
	General Fund Expenditures vs. Budget	$\frac{\text{General Fund Actual Expenditures}}{\text{General Fund Budgeted Expenditures}}$	Increase
	City-Wide Employees Per Capita	$\frac{\text{City-Wide Employees (FTE's)}}{\text{Population}}$	Increase
	City-Wide Employee Benefit Cost	$\frac{\text{City-Wide Employee Benefits Cost}}{\text{City-Wide Employee Wages Cost}}$	Increase
Operating Position:			
	General Fund Operational Surplus/(Deficit)	$\frac{\text{General Fund Recurring Revenue}}{\text{General Fund Recurring Expenditures}}$	Decrease
	General Fund Operating Margin	$\frac{\text{General Fund Operational Surplus/(Deficit)}}{\text{General Fund Recurring Revenue}}$	Decrease
	General Fund Reserves	$\frac{\text{General Fund Unrestricted Fund Balance}}{\text{General Fund Operating Expenditures}}$	Decrease
	Open Space & Parks Fund Reserves	$\frac{\text{Open Space \& Parks Fund Total Fund Balance}}{\text{Open Space \& Parks Fund Targeted Fund Balance}}$	Decrease
	Water Utility Fund Working Capital	$\frac{\text{Water Utility Fund Working Capital}}{\text{Water Utility Fund Budgetary Basis Expenses}}$	Decrease

(continued)

City of Louisville, Colorado  
Financial Policies  
General Policy 1.1  
Appendix A - Financial Indicators  
(continued)

Category	Description	Formula	Warning Trend
Operating Position: (continued)			
	Wastewater Utility Fund Working Capital	$\frac{\text{Wastewater Utility Fund Working Capital}}{\text{Wastewater Utility Fund Budgetary Basis Expenses}}$	Decrease
	Storm Water Utility Fund Working Capital	$\frac{\text{Storm Water Utility Fund Working Capital}}{\text{Storm Water Utility Fund Budgetary Basis Expenses}}$	Decrease
	Combined Utility Fund Debt Burden	$\frac{\text{Total Combined Utility Fund Revenue}}{\text{Total Combined Utility Fund Debt Service}}$	Decrease
	Combined Utility Fund Net Position	$\frac{\text{Combined Utility Fund Current Year Net Position}}{\text{Combined Utility Fund Prior Year Net Position}}$	Decrease
	City-Wide Cash & Investments	$\frac{\text{City-Wide Unrestricted Cash \& Investments}}{\text{City-Wide Current Liabilities}}$	Decrease
	City-Wide Net Position	$\frac{\text{City-Wide Current Year Net Position}}{\text{City-Wide Prior Year Net Position}}$	Decrease
	City Wide Accumulated Depreciation	$\frac{\text{City Wide Accumulated Depreciation}}{\text{City-Wide Depreciable Assets}}$	Increase
	City-Wide Debt Per Capita	$\frac{\text{City-Wide Total Debt}}{\text{Population}}$	Increase

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## Reserve Policies

Policy Section: 2

Adopted by Resolution No. \_\_, Series \_\_\_\_

Effective Date:

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### Purpose and Scope

The City of Louisville desires to maintain an appropriate level of financial resources to guard its citizens against service disruption in the event of unexpected revenue shortfalls or unanticipated one-time expenditures. This policy is also intended to document the appropriate reserve levels to protect the City's credit worthiness and maintain its good standing with bond rating agencies.

Reserves are accumulated and maintained to provide stability and flexibility to respond to unexpected adversity and/or opportunities. This policy establishes the reserve amounts the City will strive to maintain in its General Fund and its other major operating funds. This policy also stipulates the conditions under which those reserves may be used and how the reserves will be replenished if they fall below established reserve amounts.

The City will measure its compliance with this policy as of December 31<sup>st</sup> of each year, as soon as practical after final year-end information is audited and becomes available.

### Policies

- 2.1 **General Fund Reserves.** The minimum unrestricted fund balance of the General Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures less any interfund transfers to other funds, regardless of whether the transfers are considered recurring or non-recurring.

While the minimum unrestricted fund balance is set at 15% of current operating expenditures, the targeted unrestricted fund balance will be at or above 20% of current operating expenditures. This higher target is in recognition of:

- the General Fund's reliance on revenue sources that are subject to fluctuations (sales and use taxes);
- the General Fund's exposure to unexpected and significant one-time expenditure outlays (transfers to the Capital Projects Fund, mid-year changes to operations, disasters, etc.); and
- the potential drain on General Fund resources from other funds (recurring support transfers to the Open Space & Parks Fund and the Cemetery Fund).

The use of General Fund reserves will be limited to addressing unanticipated, non-recurring needs. Reserves shall not normally be used for recurring annual operating expenditures.

However, reserves may be used to provide the City time to restructure operations (as might be required in an economic downturn), but such use will only take place in the context of a long-term financial plan. Use of reserves below the 20% target requires authorization from City Council.

In the event reserves are used resulting in an unrestricted fund balance below the 15% minimum, a plan will be developed to replenish the reserves as quickly as reasonably possible and presented as part of a long-term financial plan. Methods of replenishing fund balance may include the use of non-recurring revenue, year-end surpluses, and, if legally permissible, excess resources from other funds.

- 2.2 Open Space & Parks Fund Reserves.** The entire fund balance for the Open Space and Parks Fund is restricted by voters for acquisition, development, and operation of open space, trails, wildlife habitats, wetlands, and parks.

The minimum fund balance of the Open Space and Parks Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures include only open space and parks operations and exclude all interfund transfers and capital outlay.

The targeted fund balance of the Open Space and Parks Fund will include the minimum fund balance *plus* an amount sufficient to cover the City's share (considering other likely joint partners) of the total projected cost of acquiring the three highest priority candidate open space properties. As the highest priority properties are purchased, this amount will be adjusted.

Use of reserves below the targeted amount requires authorization from City Council. In the event reserves are used to acquire open space property resulting in a fund balance below the targeted amount, a plan will be developed to replenish the reserves as quickly as reasonably possible and presented as part of a long-term financial plan. Methods of replenishing fund balance may include transfers from other funds, securing loans from other agencies to jointly purchase property, seeking approval of bonds to finance property acquisition, and/or delaying/reducing expenditures for development, construction, operation, and maintenance of open space zones, trails, wildlife habitats, wetlands, and parks.

- 2.3 Cemetery Fund Reserves.** The minimum unrestricted fund balance of the Cemetery Fund shall be maintained at or above 15% of current operating expenditures. For purpose of this policy, operating expenditures are defined as all expenditures, excluding interfund transfers and capital outlay.

The Cemetery Fund requires a recurring annual transfer from the General Fund to fund its operational deficit. This transfer will be adjusted on an annual basis to ensure that the unrestricted fund balance of the Cemetery Fund is maintained at or above 15% of current operating expenditures.

- 2.4 Combined Utility Fund Reserves.** The Water, Wastewater, and Storm Water Utility Funds are enterprise funds and, therefore, the measure of reserves is based on levels of working capital rather than on levels of fund balance. It is important to maintain adequate levels of working capital in these funds to mitigate risks and to ensure a stable fee structure and service level.

The minimum working capital for the Water, Wastewater, and Storm Water Utility Funds shall be maintained at or above 25% of current operating expenses, as measured on the City's budgetary basis. For purpose of this policy, operating expenses are defined as all budgetary-basis expenses, excluding interfund transfers and capital outlay.

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## Debt Policies

Policy Section: 3  
Adopted by Resolution No. \_\_, Series \_\_\_\_  
Effective Date:

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### Purpose and Scope

To enhance creditworthiness and engage in prudent financial management, the City of Louisville is committed to systematic capital planning and long-term financial planning. Maintaining the City's bond rating is an important objective and, to this end, the City is continually working to improve its financial policies, budgets, forecasts, and financial health.

These policies establish criteria for the issuance of debt obligations by the City so that acceptable levels of indebtedness are maintained. The objectives of these policies are to ensure that the City obtains debt financing only when necessary, that the process for identifying the timing and amount of debt financing be as efficient as possible, that the most favorable interest rates and related issuance costs are obtained, and that future financial flexibility remains relatively unconstrained.

Debt financing includes general obligation bonds, revenue bonds, notes payable to the Colorado Water Resources & Power Development Authority, leases, and any other City obligations permitted to be issued or incurred under Colorado law, the City's Municipal Code, and the City's Charter.

This policy does not apply to the Urban Revitalization District, a legally separate entity, but a component unit of the City for financial reporting purposes.

### Policies

- 3.1 **Use of Debt Financing.** Although the City will normally finance projects on a cash basis (pay-as-you-go), the City may decide that the most equitable way of financing a project is through debt financing (pay-as-you-use).

Factors which may favor *pay-as-you-go* financing include circumstances where:

- the project can be adequately funded from available current revenue and reserves;
- the project can be completed in an acceptable timeframe given the available resources;
- additional debt levels could adversely affect the City's credit rating or repayment sources; or
- market conditions are unstable or are not conducive to marketing debt.



Factors which may favor *pay-as-you-use* financing include circumstances where:

- current revenue or reserves are insufficient to pay project costs;
- a project is immediately required;
- revenue available for debt issues are considered sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating, which can be maintained;
- market conditions present favorable interest rates and demand for municipal debt financing; or
- the useful life of the project or asset is five years or greater.

The City will not use long-term debt to finance any recurring purpose such as current operations. Debt financing will be used only for capital improvement projects and large equipment purchases. Debt payments shall not extend beyond the estimated useful life of the project or the equipment being financed.

- 3.2 **Limitations and Constraints on Debt Financing.** Per Article 12, Section 12-1, of the City of Louisville Charter, the total amount of the City's indebtedness shall not at any time exceed three (3) percent of the actual value, as determined by the County Assessor, of taxable property within the City, except such debt as may be incurred by supplying water.

Per Article 12, Section 12-3, of the City of Louisville Charter, any lease-purchase agreement, except for the acquisition of water rights, entered into by the City shall be approved by the City Council by non-emergency ordinance.

Per the Taxpayer Bill of Rights (TABOR) amendment to the Colorado Constitution, all multiple-year debt shall first be approved by the City's taxpaying electorate unless it is issued for a TABOR-defined government enterprise, refinances bonded debt at a lower interest rate, or sufficient cash reserves are pledged irrevocably for future payments. The City's TABOR-defined enterprises include the Water Utility Fund, the Wastewater Utility Fund, the Storm Water Utility Fund, and the Golf Course Fund. Operating leases, lease-purchases, and certificates of participation (COP's) that are subject to annual appropriation are not considered multiple-year debt and are not subject to TABOR election requirements.

- 3.3 **Structure of Debt Financing.** City debt will be structured to achieve the lowest possible net interest cost given market conditions, the urgency of the capital project, and the nature and type of any security provided. City debt will be structured in ways that will minimize impacts on future financing flexibility. To the extent possible, repayment of debt shall be structured to rapidly recapture credit capacity for future use.

City debt will be amortized for the shortest period consistent with a fair allocation of cost to current and future beneficiaries of the project being financed, and in keeping with other related provisions of this policy. The City shall normally issue general obligation bonds or revenue bonds with a maximum life of twenty years or less.

The City will normally seek to amortize general obligation bonds and revenue bonds with level payments (principal plus interest) over the life of the issue. Pushing higher debt service costs to future years will only be considered under special circumstances. The City will also avoid repayment schedules that consist of low annual payments and a large payment of the balance due at the end of the term. There shall always be at least one interest payment in the first fiscal year after a bond sale. Principal repayment shall start no later than the second year after the bond issue.

Call provisions for bond issues shall be made as short as possible, consistent with the lowest interest cost to the City. Unless specific compelling reasons exist, all bonds shall be callable only at par.

Credit enhancements may be used if the costs of such enhancements are lower than the reduction in net debt service payments or if they provide other significant financial benefits to the City.

- 3.4 **Bond Counsel.** The City will utilize external bond counsel for all debt issues. All debts of the City will include a written opinion by bond counsel on the validity of the bond offering, the security for the offering, and whether and to what extent interest on the bonds is exempt from income and other taxation.
- 3.5 **Financial Advisor.** The City will retain an external financial advisor through a competitive process administered by the Finance Department. For each debt issuance, the financial advisor will provide the City with information and recommendations on all aspects of the issuance, including market opportunities, method of sale, structure, term, pricing, and fees.
- 3.6 **Method of Sale.** As a matter of general policy, the City shall seek to issue its general and revenue bond obligations with a competitive sale process unless it is determined by the City's Financial Advisor and Finance Director that such a method will not produce the best results for the City. Other methods of sale that may be authorized by the Financial Advisor and Finance Director are a negotiated sales process and a private placement process.

Conditions that may favor a negotiated sale process are:

- The bond issue is, or contains, a refinancing that is dependent on market timing;
- At the time of the issuance, the interest rate environment or economic factors that affect the bond issue are volatile;
- The nature of the debt is unique and requires particular skills from the underwriter; or
- The debt issuance is bound by a compressed timeline due to extenuating circumstances that prevent a competitive process from being accomplished.

Whenever a negotiated sale process is determined to be in the best interests of the City, the City will use a competitive process to select its investment banking team.

In such instances where the City, through competitive bidding, deems the bids as unsatisfactory, or does not receive bids, it may, at the election of the Finance Director, immediately enter into a negotiated sale process or private placement process.

- 3.7 **Refunding of Debt.** Periodic reviews of all outstanding debts will be undertaken by the Finance Director and Financial Advisor to determine refunding opportunities. Refundings will be considered (within legal constraints) if and when there is a net economic benefit of the refunding, or if the refunding is essential in order to amend covenants to enhance operations and management. As a general rule, refundings will only be considered if the present value savings (net of all costs) of a particular refunding will exceed five percent (5%) of the refunded principal.
- 3.8 **Arbitrage Liability Management.** It is the City's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the law. The City will not issue

obligations except for identifiable projects with very good prospects of timely initiation. Because of the complexity of the arbitrage rebate regulations and the severity of non-compliance penalties, the City will use the services of Bond Counsel and other arbitrage compliance experts when determining arbitrage liability, reporting, and exemptions.

- 3.9 **Financial Disclosure.** The City is committed to full and complete financial disclosure and to cooperating fully with rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, comprehensible, accurate, and timely financial information. Continuing disclosure requirements under Rule 15c2-12 issued by the Securities and Exchange Commission (SEC) may apply to certain debt transactions of the City. The City will comply with all such Federal or other State reporting requirements on a timely basis. The City is committed to meeting continuing disclosure requirements of the national information repositories.

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## Revenue Policies

Policy Section: 4

Adopted by Resolution No. \_\_, Series \_\_\_\_

Effective Date:

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### Purpose and Scope

The City of Louisville collects revenue from various sources, the largest of which are from sales and use taxes, utility fees, property taxes, and intergovernmental revenue. The structure, equity, fluctuation, and collection of revenue are important for financial stability and are reviewed by bond rating agencies to determine the City's credit quality.

### Policies

- 4.1 **Diversification and Stabilization.** The City will strive to maintain a diversified and stable revenue system to reduce the overall effects of fluctuations in any one revenue source.
- 4.2 **Equity.** Revenue will be derived from a fair, equitable, and adequate resource base, while minimizing tax differential burdens. Services having a City-wide benefit shall be financed with revenue sources generated from a broad base, such as sales taxes and property taxes. Services where the customer determines the use shall be fully or partially financed with user fees and charges related to the level of service provided.
- 4.3 **Collections.** The City will monitor all taxes, fees, and charges to make sure they are equitably administered and collections are timely and accurate. The City will pursue collection of delinquent amounts (including related penalties and interest) as authorized by the Louisville Municipal Code.
- 4.4 **Recurring and Non-recurring Revenue.** The City's objective is to fund all recurring expenditures with recurring revenue. Non-recurring, one-time revenue should be used to fund only non-recurring, one-time expenditures. The preferred use of non-recurring revenue is to invest in projects that will result in long-term operational cost savings.
- 4.5 **Intergovernmental Revenue.** The City will pursue intergovernmental aid, including grants, for those programs and activities that address a recognized need and are consistent with the City's goals and objectives, and will attempt to recover all allowable costs associated with those programs. The City will avoid using grants for ongoing service delivery needs. Any decision to pursue intergovernmental aid should only be made after consideration of the present and future funding requirements, costs of administering the funds, costs associated with special conditions or regulations attached to the aid, and ongoing operational costs after the aid period.

- 4.6 **User Fees and Services Charges.** The City will periodically recalculate the full cost of providing services in order to provide a basis for setting the associated user fee or service charge. Full cost shall incorporate direct and indirect costs, including operations (with City labor costs), maintenance, overhead, debt service, equipment, and capital charges. The intent of this policy is to set fees at a level that is related to the actual cost of producing the good or service. The City will also periodically examine and compare rates from other cities providing similar services. It is recognized that competing policy objectives may result in user fee levels that recover only a portion of the costs.
- 4.7 **Fees for Recreational Services.** The City will set fees for recreational services at a level to support seventy-five percent (75%) of the direct and indirect costs of children's programs. Non-resident recreation participants will pay the regular program fees plus an additional fee of 25% or \$5.00, whichever is higher.

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## Operating Budget Policies

Policy Section: 5  
Adopted by Resolution No. \_\_, Series \_\_\_\_  
Effective Date:

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### Purpose and Scope

The formulation of the annual operating budget, including the publication of the budget document, is one of the most important financial activities that the City of Louisville undertakes each year. The budget process provides a comprehensive plan to deliver efficient services to residents and stakeholders of the City in a manner that aligns resources with the policies, goals, mission, and vision of the City. This policy is intended to provide guidelines to assist in the formulation of financial discussion and the broader implications of financial decisions. This policy shall apply to all funds with an adopted budget.

### Policies

- 5.1 **Budgetary Basis of Accounting.** The “basis of accounting” is a term used to describe the timing of revenue and expenditure recognition. In other words, when the effects of transactions or events should be recognized. In governmental accounting, the basis of accounting used for financial reporting purposes, as required by generally accepted accounting principles (GAAP), is not required for use in preparing a budget document. Under GAAP, governmental funds are required to utilize a modified accrual basis of accounting and proprietary funds (enterprise and internal service) are required to utilize a full accrual basis of accounting for financial reporting purposes. The City of Louisville’s *budgetary* basis of accounting is a modified accrual basis for *all* fund types, including proprietary funds. Some of the differences between the City’s budgetary basis of accounting and the GAAP basis of accounting for proprietary fund types are:
- *Issuance of debt* – budgeted as a revenue item, adjusted at year-end to a liability for financial reporting purposes.
  - *Principal payment on debt* – budgeted as an expense item, adjusted at year-end to a reduction in the liability for financial reporting purposes.
  - *Capital acquisition* – budgeted as an expense item, adjusted at year-end to an asset acquisition for financial reporting purposes.
  - *Depreciation* – not recognized for budgeting purposes, recorded at year-end as an expense for financial reporting purposes.

- 5.2 **Level of Budgetary Control.** The level of budgetary control is the level at which spending cannot exceed the budgeted amount without City Council authorization. The level of control is also the level of detail the City Council approves in the appropriation resolution. The City's current level of budgetary control is at the fund level. However, department management is responsible for administering their respective programs within the financial constraints described by the budget as adopted.

Article 11, Section 11-6 of the City of Louisville Charter states, *"During the fiscal year, no officer or employee shall expend or contract to expend any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts appropriated by the City Council. Any contract, verbal or written, made in violation of this subsection shall be void, and no moneys of the City shall be paid on such contract; except that the City Council may ratify such a contract if it determines that ratification would be in the best interest of the City, and if it adopts a resolution making the necessary appropriation."*

- 5.3 **Balanced Budget.** The City's definition of a balance budget requires each fund's revenue plus appropriated fund balance/working capital to be equal to, or greater than, each fund's total appropriations. However, it is the City's intent to go further and develop *structurally* balanced budgets for the General Fund and the other major operating funds (excluding capital project funds). In a structurally balanced budget, annual recurring revenue will be projected to equal or exceed annual recurring expenditures for each fund. If a structural imbalance (recurring expenditures exceeding recurring revenue) should occur in the General Fund or in any of the major operating funds, a plan will be developed and implemented to bring the budget back into structural balance.
- 5.4 **Budget Form.** Article 11, Section 11-2 of the City of Louisville Charter states, *"The proposed budget shall provide a complete financial plan for the City in a format acceptable to the City Council. Except as otherwise provided by this Charter, the proposed budget shall be prepared in accordance with State statutes establishing the local government budget law and the local government uniform accounting law."*
- 5.5 **Capital Improvement Plan (C-I-P).** A Five-Year Capital Improvement Plan will be presented to the City Council for consideration during the budget development process. The annual capital budget will be based on the first year of the approved C-I-P.
- 5.6 **Long-Term Financial Plan (LTFP).** Five-year financial forecasts for each of the City's major operating funds will be presented to the City Council for consideration during budget development. The LTFP will coordinate the C-I-P with the operating budget and will provide insight into potential future financial imbalances so that action can be taken before a crisis occurs.
- 5.7 **Budget Amendment.** The City Council may amend or supplement the budget by resolution at any time after its initial adoption. A public hearing is required.
- 5.8 **Budget Control System.** The City will develop and maintain a budgetary control system to help it adhere to the budget. All departments are part of the budget control system and will have access to individual department reports that compare budget-to-actual financial performance. The Finance Department will report City-wide budget-to-actual performance on a monthly basis for both revenue and expenditures to the City Finance Committee.



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## Investment Policies

Policy Section: 6

Adopted by Resolution No. \_\_, Series \_\_\_\_

Effective Date:

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### Purpose and Scope

It is the policy of the City of Louisville to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all Colorado Revised Statutes, the City of Louisville Charter, and the City of Louisville Municipal Code.

The provisions of this investment policy shall apply to all funds held in the custody of the City and all of its offices. Except for cash in certain restricted and special funds, the City shall consolidate, or “pool”, cash and investment balances from all funds to maximize investment earnings and to increase efficiencies with regards to investment pricing, safekeeping, and administration. The investment income derived from the pooled cash and investment accounts shall be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

### Policies

6.1 **Objectives.** In order of priority, the primary objectives of investment activities shall be safety, liquidity, and yield:

- *Safety.* Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio through the mitigation of credit risk and interest rate risk.
- *Liquidity.* The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This shall be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets. In addition, a portion of the portfolio may be placed in local government investment pools (LGIPs) which offer same-day, constant dollar liquidity for short-term funds.
- *Yield.* The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary

importance compared to the safety and liquidity objectives described above. Securities generally shall be held to maturity with the following exceptions:

- A security with a declining credit may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield, or target duration of the portfolio.
- Liquidity needs of the portfolio require the security to be sold.

- 6.2 **Delegation of Authority.** The Finance Director shall be the designated investment officer of the City and shall be responsible for all investment decisions and activities, under the direction of the City Manager. The Finance Director shall establish investment policy procedures for the operation of the investment program consistent with this policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director.

The Finance Director may delegate the authority to conduct investment transactions and manage the operation of the investment portfolio to one or more subordinates and/or an external registered investment advisor who shall act in accordance with established procedures on internal controls and in compliance with this investment policy.

- 6.4 **Legal Investments.** All investments shall be made in accordance with Colorado Revised Statutes (CRS) as follows: CRS 11-10.5-101, et seq., Public Deposit Protection Act; CRS 24-75-601, et seq., Funds - Legal Investments for Government Units; CRS 24-75-603, et seq., Depositories; CRS 24-75-701 and 702, et seq., Local Governments - Local Government Pooling and that the investment or deposit meets the standard established in section CRS 15-1-304. Any revisions or extensions of these sections of the CRS will be assumed to be part of this Investment Policy immediately upon enactment.

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the settlement date or in accordance with state and local statutes and ordinance. Pursuant to CRS Section 24-75-601.1(1), as amended from time to time, and subject to the limitations set forth therein, the securities listed herein shall be eligible for investment of public funds by the City. In the event of a conflict between CRS 24-75-601.1(1) and this policy, other than this policy being more restrictive than CRS 24-75-601(1), CRS 24-75-601.1(1) shall control. Nothing herein shall preclude the City from adopting a policy to permit securities other than those listed in CRS 24-75-601.1(1) for investment of public funds.

CRS 24-75-601(1) and this policy authorize the following investments:

- Any security issued by, fully guaranteed by, or for which the full credit of the United States Treasury is pledged for payment; allowing for inflation indexed securities. The period from the date of settlement of this type of security to the maturity date shall be no more than five years, unless the City Council authorizes investment for a period in excess of five years.
- Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: The Federal Farm Credit Bank, A Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, The Federal National Mortgage Association, the Government National Mortgage Association, or an entity or organization that is not

listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States Congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph. The period from the date of settlement of this type of security to its maturity date shall be no more than three years. Any entity or organization listed in this paragraph may represent up to but not more than 35% of the investment portfolio. The total of the above mentioned entities or organizations and inclusive of corporate or bank securities cannot represent more than 95% of the investment portfolio.

- Any security that is a general or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities. The period from the date of settlement of this type of security to the maturity date shall be no more than three years.
- Any interest in a local government investment pool pursuant to CRS 24-75-701, et seq.
- Any guaranteed investment contract (GIC) if at the time the contract or agreement is entered into, the long-term credit rating, financial obligations rating, claims paying ability rating, or financial strength rating of the party, or of the guarantor of the party, with whom the public entity enters the contract or agreement is, at the time of issuance, rated in one of the two highest rating categories by two or more nationally recognized securities rating agencies that regularly issue such ratings. Contracts or agreements purchased under this paragraph shall not have a maturity period greater than three years.
- Any dollar-denominated corporate or bank security issued by a corporation or bank that has a maturity of less than three years from the date of settlement and, at the time of purchase, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "AA- or Aa3" by any credit rating agency. The aggregate value of all securities referred to in this paragraph shall equal no more than 25% of the total portfolio.
- Money market instruments, such as commercial paper or bankers' acceptance, must carry at least two credit ratings from any of the nationally recognized credit rating agencies and must not be rated below "A1, P1, or F1" by any credit rating agency.
- Any money market fund that is registered as an investment company under the federal "Investment Company Act of 1940", as amended, at the time the investing public entity invests in such fund. The money market fund must: 1) have no commission fee on the charged on purchases or sales of shares; 2) have a constant daily net asset value per share of \$1.00; 3) limit assets of the fund to U.S. Treasury Securities; 4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 270-2A-7; and 5) have a rating at the time of purchase of at least AAAM by Standard & Poor's or Aaa/MRI+ Moody's
- The purchase of any repurchase agreement of marketable securities referred to in the preceding paragraphs. A Master Repurchase Agreement must be executed with the bank or dealer. The securities must be delivered to the City's custodian or to a third-party custodian or third-party trustee for safekeeping on behalf of the City. The title to or

a perfected security interest in such securities along with any necessary transfer documents must be transferred to the City or the City's custodian. The collateral securities of the repurchase agreement must be collateralized at no less than one hundred two percent and marked to market no less frequently than weekly. Collateralization is required per the Public Deposit Protection Act, CRS 11-10.5-101 et seq. The securities subject to the repurchase agreement may have a maturity in excess of five years. The repurchase agreement itself may not have a maturity of more than five years from the date of settlement unless the City Council authorizes investment for a period in excess of five years.

- Certificates of deposit in state or national banks or in state or federally chartered savings banks, which are state-approved depositories per CRS Section 24-75-603, et seq. (as evidenced by a certificate issued by the State Banking Board) and are insured by the FDIC. Certificates of deposit, which exceed the FDIC insured amount, shall be collateralized in accordance with the Colorado Public Deposit Protection Act. Certificates of deposit must comply with CRS Section 30-10-708 (1). The aggregate value of all certificates of deposit shall equal no more than 25% of the total portfolio.

- 6.4 **Standards of Care and Performance.** The “reasonable prudence” standard shall be used by investment officials in the context of managing an overall portfolio. The “reasonable prudence” standard provides that investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of the capital.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In addition, officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the City Manager any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

- 6.5 **Authorized Financial Institutions, Depositories, and Broker-Dealers.** Unless utilizing the services of an external registered investment advisor, the Finance Department shall maintain a list of financial institutions and depositories authorized to provide investment services to the City. In addition, the Finance Department shall maintain a list of approved security broker/dealers that may include “primary” dealers or regional dealers qualifying under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). To qualify for consideration for investment transactions with the City, all financial institutions and broker-dealers must supply the following, as appropriate:

- Proof of state registration (except for those firms providing safekeeping and custodial services only).
- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.
- Proof of Financial Industry Regulatory Authority (FINRA) certification.
- Evidence of adequate insurance coverage.
- Certification of having read and understood and agreeing to comply with the City's investment policy.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Finance Director.

- 6.6 **Safekeeping and Custody.** All trades of marketable securities will be executed “delivery versus payment” (where applicable) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Securities will be held by an independent third-party custodian selected by the City and evidenced by safekeeping receipts in the City's name. The safekeeping institution shall provide on an annual basis a copy of its most recent report on internal controls (Statement of Standards 70).

Moreover, management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal controls structure should address the following points:

- Control of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Written confirmation of transactions for investments and wire transfers.
- Dual authorization of wire transfers.

Compliance with these controls shall be reviewed and confirmed through the City's annual independent audit.

6.7 **Performance Standards & Reporting**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

The City's investment strategy is passive. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the ColoTrust local government investment pool, the one-year US Treasury Bill, and the two-year Agency Benchmark.

The Finance Director shall provide the Finance Committee monthly investment reports that provide the status and characteristics of the current investment portfolio. The investment report should include schedules on:

- Portfolio diversification.
- Maturity distribution.
- A listing of all securities held by authorized investment category.
- Par value, amortized book value, and market value for all securities held.
- Monthly activity – purchases, sales, calls, and interest received.

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## **Capital Asset Investment & Management Policies**

**Policy Section: 7**  
**Adopted by Resolution No. \_\_, Series \_\_\_\_**  
**Effective Date:**

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### **Purpose and Scope**

Capital assets have a major impact on the ability of the City of Louisville to deliver services, the economic vitality of the City, and the overall quality of life for the City's citizens. The purpose of this policy is to provide general guidelines for a comprehensive process of allocating limited resources to capital investments. This policy applies to all funds included in the City's Five-Year Capital Improvement Plan.

### **Policies**

- 7.1 General Process for Five-Year Capital Improvement Plan (C-I-P).** The Finance Department is responsible for coordinating the C-I-P process within the annual budget calendar and for compiling the requested, recommended, and adopted C-I-P document.

Each year, City departments will submit a list of prioritized projects for inclusion into the C-I-P. The City Manager will review the requests and make the final recommendations to City Council. City Council will review the recommended C-I-P and direct any changes for the final C-I-P. The first year of the C-I-P will be included in the Annual Operating & Capital Budget presented to the City Council for formal adoption in November.

The City shall provide meaningful opportunities for all stakeholders to provide input into the C-I-P development process.

- 7.2 C-I-P Project Selection.** An objective set of criteria will be used to assess and evaluate project proposals. Although specific criteria may be updated from time to time, the following concepts are core principles to be considered in the development of such criteria:
- **Long-Term Forecasts** – Long-term forecasts will be prepared to better understand resources available for capital spending and to assess operational impacts and eventual maintenance and replacement costs.
  - **Impact of Other Projects** – Projects shall not be considered in isolation. One project's impact on others should be recognized and costs shared between projects where appropriate.



- Full Costing – Cost analysis of a proposed project should encompass the entire cost of the project, including annual maintenance and other impacts to the operating budget.
- Predictable Project Timing & Scope – Schedule and scope estimates should be practical and achievable within the requested resources, including financial and human.

7.3 **Balanced C-I-P.** The adopted C-I-P will be balanced. This means that for the five year period, revenue plus the use of fund reserves will equal or exceed total project expenditures.

7.4 **Asset Maintenance & Replacement.** It is the City's intent to maintain its existing assets and a level that protects the initial capital investment and minimizes future maintenance and replacement costs. Based on an asset inventory and risk assessment, staff shall include recommendations for asset maintenance in the C-I-P. It is the City's intent to ensure that adequate resources are allocated to preserve the City's existing infrastructure to the best of its ability before allocating resources to other capital projects.

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## Accounting, Auditing, & Financial Reporting Policies

Policy Section: 8  
Adopted by Resolution No. \_\_, Series \_\_\_\_  
Effective Date:

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### Purpose and Scope

The City of Louisville desires to maintain a system of financial management that safeguards City assets, promotes financial transparency, and provides timely, accurate, and relevant financial information to citizens, elected officials, and management. This policy pertains to all funds and operations of the City and, to the extent reasonably possible, all component units of the City.

### Policies

- 8.1 **Accounting.** The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles applicable to state and local governments. The City's accounting and reporting policies will conform to the generally accepted accounting principles (GAAP).
- 8.2 **Auditing.** Article 11, Section 11-7 of the City of Louisville Charter states, *"The Council shall provide for a financial audit, which shall be performed at least annually by a certified public accountant selected by the Council. The Audit shall be performed in accordance with the State statutes establishing the local government audit law. Copies of the audit shall be made available for public inspection."*

In compliance with the Charter, an annual audit will be performed by an independent certified public accounting firm in accordance with Generally Accepted Governmental Auditing Standards and the auditor's opinion will be included in the City's Comprehensive Annual Financial Report (CAFR).

The City's Finance Department shall be responsible for managing the audit procurement process. The City Council will appoint the independent auditor and approve each year's audit engagement letter. The audit engagement term shall typically be for five to ten years, subject to annual review, approval, and appropriation.

- 8.3 **Audit Committee.** The City's Finance Committee will act as the City's Audit Committee. The Audit Committee will provide an independent review and oversight of the government's financial reporting processes, internal controls, and independent auditors. The City's independent auditors will meet with the Audit Committee at least annually and have direct access to the Audit Committee if City staff is unresponsive to auditor recommendations or if

the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

- 8.4 **Financial Reporting.** The City's Comprehensive Annual Financial Report (CAFR) will be published annually to present the results, financial position, and results of operations of the City for the prior year. As an additional independent confirmation of the quality of the City's financial information, the City will annually submit its CAFR to the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting program.

The Finance Department will provide monthly interim financial reports to the Finance Committee after the close of each month. The reports will be designed to keep the Committee continuously informed of the City's overall financial status.

- 8.5 **Internal Controls.** The goals and objectives of the City's internal control policies are to safeguard City assets and to foster reliance on public information for decision-making purposes at all levels both internally and externally. Management shall establish the presence of integrity, ethics, competence, and a positive control environment. Directors are responsible for establishing, executing, and maintaining control policies and procedures at the detail level within their specific departments.

The City's internal control structure will be based on the Committee of Sponsoring Organizations of the Treadway Commission on Fraudulent Financial Reporting (COSO) framework and comprised of the following elements:

- **Control Environment** – Factors include integrity and ethical values, commitment to competence, leadership philosophy and operating style, assignment of authority and responsibility, and policy and procedures;
- **Risk Assessment** – Routine assessment of risk and its impact on internal controls;
- **Control Activities** – Such as segregation of duties, authorization of transactions, retention of records, supervision and monitoring of operations, and physical safeguards;
- **Information and Communication** – Policies and procedures are documented and accessible; and
- **Monitoring** – Assessment of the quality of performance over time to determine whether controls are effective and track resolution achievements of identified problems.

- 8.6 **Capitalization of Assets.** The terms capital assets, capital outlay, and fixed assets are used to describe assets that are used in operations that have initial lives extending beyond a single reporting period, such as water rights, infrastructure, land, buildings, improvements other than buildings, and equipment. It is incumbent upon departments to maintain adequate control over all resources, including capital assets, to minimize the risk of loss or misuse.

Not all fixed assets are required to be reported on the City's balance sheet. Specifically, fixed assets with extremely short useful lives or fixed assets of small monetary value are properly reported as an "expenditure" or "expense" of the period in which they are acquired.

Fixed assets that are reported on the City's balance sheet are said to be "capitalized" and must meet the capitalization criteria outlined in this policy.

The City's capitalization criteria are, as follows:

- Assets should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition.
- The capitalization thresholds shall normally be applied to individual items rather than to groups of similar items (e.g., chairs), unless the effect of doing so would be to eliminate a significant portion of total capital assets (e.g., library books).
- The capitalization threshold for each individual item is \$5,000.
- Directors are responsible for establishing control and inventory procedures at the department level for non-capitalized assets such as office equipment, communications equipment, fleet management inventory, firearms, etc.

**8.7 Accounts Receivable Write-Off.** Accounts receivable is an asset account reflecting amounts owed to the City. Staff will make every effort to collect all receivables. Only receivables deemed uncollectible can be written off. In order to be deemed uncollectible, a receivable must meet the following criteria:

- All standardized collections procedures have been exhausted;
- Further measures to collect the debt have been determined as inappropriate; and
- The characteristics of the debt are such that write-off is appropriate (e.g., the debt is small relative to the cost of further collection efforts).

The City Manager or Finance Director is authorized to approve a write-off of up to \$100 per individual account. Staff's request to write-off accounts greater than \$100 must be approved by the Finance Committee. The amounts and reasons for all write-offs will be documented and made available for audit.

## MEMORANDUM

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**TO:** Malcolm Fleming and Heather Balser

**FROM:** Joe Stevens, Director of Parks and Recreation  
Kathy Martin, Superintendent of Recreation and Senior Services

**DATE:** September 14, 2015

**SUBJECT:** Daily Fees and Resident Discounts

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In order to maintain market share and remain competitive with other municipal recreation centers and private facilities, including the newly opened Lakeshore Health Club, in 2006 a new fee structure was implemented in order to retain customers, facilitate a more harmonious customer relations atmosphere for guests and staff, and to address a two-year decline in daily admissions. Daily Admission fees are for a one day paid admission for facility usage, and the resident and non-resident fee for both became \$5.00. In 2010, the Daily Admission fee was increased \$1.00 for all age groups. The 10 and 20 Visit Passes are a commitment to a block of visits, thus the discounted rate, and the fees are based off of Daily Admission fees. The cost per visit by purchasing either multi-visit pass is currently \$4.50 per visit regardless of where the guest resides.

What is proposed for 2016 is a \$2.00 discount for residents. The new proposed fee structure would be:

### DAILY ADMISSION RESIDENT DISCOUNTS

	Daily Fee	Resident Discount
Youth	\$6.00	\$4.00
Adult	\$8.00	\$6.00
Senior	\$6.00	\$4.00

### 20 VISIT PASS

	Daily Fee	Resident Discount
Youth	\$100 / \$5.00	\$50 / \$2.50
Adult	\$140 / \$7.00	\$90 / \$4.50
Senior	\$100 / \$5.00	\$50 / \$2.50

The 10 Visit fees would be based on the above single visit fee, times 10 visits (i.e. \$25 for a youth 10 Visit Pass.

The monthly fees would remain the same, as those passes already charge a non- resident fee.

In 2014 the Recreation|Senior Center ended the year with a visit history percentage of 74.85% Residents and 25.15% Non-Residents of all combined passes.

Often the City gets requests for a military discount, and a flat 10% discount could be offered on any pass type if approval is given to add this additional rate.

Current fees offer a corporate discount on a monthly pass for guests that work for a business in Louisville but reside outside of the city limits. That discount is \$5.00 off the non- resident fee for a monthly pass.

Rate proposals have been compared to cities within a 25 mile radius (attached statewide comparison from March 2015) and are competitive with the 2 nearest cities, Boulder and Lafayette, summarized below (Broomfield has been updated from the March 2015 comparison). The City's fees would remain in between those two cities' established fees, keeping the City competitive within the area.

Comparison of other cities daily fee structure (Adult)

<b>DAILY ADMISSION</b>	Louisville	Lafayette	Boulder	Broomfield	Erie	Longmont	Westminster	Golden
Resident	\$6.00	\$4.50	\$7.00	\$4.75	\$4.50	\$5.00	\$5.00	\$5.75
Non-Resident	\$6.00	\$4.50	\$7.00	\$7.50	\$5.50	\$6.25	\$6.00	\$5.75

Program fees will continue to offer a resident discount of 25%. Non-Resident fees will be charged when not subject to federal or state grant money or pre-existing contracts. This spring, Summer Day Camp was filled for the entire 9 week program by residents within two hours of registration starting. This fall, the Recreation Center has the largest youth soccer program since 2000, and it is filled with 496 Residents and 65 Non-Residents. In 2014, the Recreation Center finished the year with 91.46% Resident participation and 8.54% Non-Residents.

## Daily Admission Price

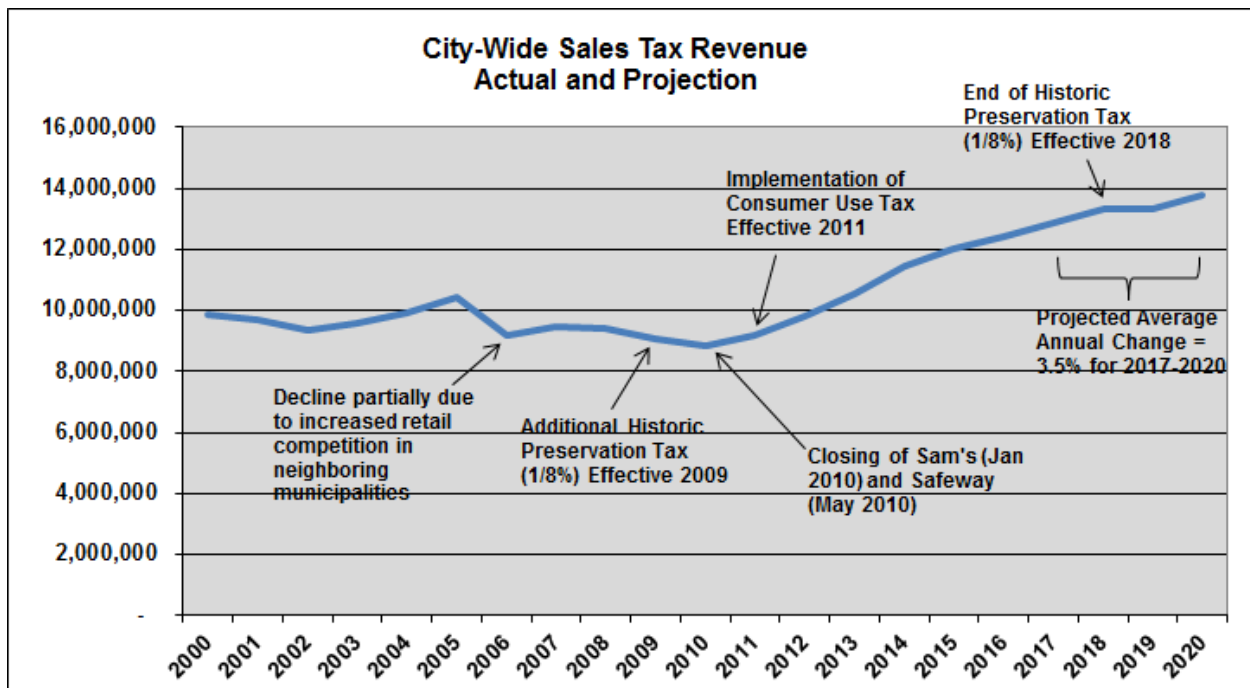
Recreation Center/City	Child 3-12		Youth 13-18		Adult 19-59		Senior		Age Details
	Res	N/Res	Res	N/Res	Res	N/Res	Res	N/Res	
Alamosa	\$ 2.00		\$ 2.00		\$ 4.00		\$ 2.00		6-15, 16-54, 55+
Apex	\$ 3.00	\$ 4.00	\$ 4.25	\$ 5.75	\$ 5.50	\$ 6.75	\$ 4.25	\$ 5.75	3-5, 6-18, 19-61
Aspen	\$ 15.20		\$ 15.20		\$ 17.20		\$ 7.60		2-17, 18+, 62 +
Aurora	\$ 3.75		\$ 3.75		\$ 5.00		\$ 4.00		2-17, 62+
Avon	\$ 8.00	\$ 10.00	\$ 8.00	\$ 10.00	\$ 12.00	\$ 14.00	\$ 8.00	\$ 10.00	3-17,18-59
Boulder - East, North & South	\$ 4.50		\$ 4.50		\$ 7.00		\$ 5.25		3-18, 60+
Breckenridge	\$ 7.50	\$ 7.50	\$ 7.50	\$ 7.50	\$ 15.00	\$ 15.00	\$ 12.00	\$ 12.00	3-17, 60+
Brighton	\$ 2.50	\$ 3.25	\$ 2.50	\$ 3.25	\$ 4.25	\$ 5.00	\$ 2.25	\$ 3.00	5-17, 60+
Broomfield - Paul Derda RC	\$ 3.00	\$ 4.00	\$ 3.50	\$ 4.50	\$ 4.50	\$ 6.00	\$ 3.50	\$ 4.50	4-12, 13-17, 60+
Castle Rock	\$ 4.50	\$ 5.25	\$ 4.50	\$ 5.25	\$ 5.50	\$ 6.50	\$ 4.75	\$ 5.75	3-17, 60+
Commerce City	\$ 1.00	\$ 1.50	\$ 2.00	\$ 3.75	\$ 3.00	\$ 5.00	\$ 2.00	\$ 3.75	2-7yrs; 8-17, 62+
Cortez	\$ 2.50		\$ 3.50		\$ 4.50		\$ 3.50		
Delta Bill Heddles RC	\$ 3.00		\$ 3.00		\$ 4.00		\$ 3.50		3-17, 60+
Denver (Regional: all centers in denver)	\$ 2.00		\$ 5.00		\$ 6.00		\$ 4.00		2-17, 18-24, 65+
Durango	\$ 4.50		\$ 4.50		\$ 5.75		\$ 4.50		4-17, 60+
Englewood	\$ 3.50	\$ 4.00	\$ 3.50	\$ 4.00	\$ 4.75	\$ 5.50	\$ 3.50	\$ 4.00	2-17, 55+
Erie	\$ 2.25	\$ 2.75	\$ 2.25	\$ 2.75	\$ 4.50	\$ 5.50	\$ 2.70	\$ 3.40	4-17, 60+
Evans	\$ 2.00		\$ 2.00		\$ 2.50		\$ 2.00		5-15, 50+
Evergreen (Buchanan RC)	\$ 4.75	\$ 6.00	\$ 4.75	\$ 6.00	\$ 6.00	\$ 7.50	\$ 4.50	\$ 5.50	4-18, 60+
Evergreen (Wulf RC)	\$ 4.00	\$ 5.00	\$ 4.00	\$ 5.00	\$ 5.00	\$ 6.25	\$ 3.75	\$ 4.75	4-18, 60+
Foothills Lilly Gulch	\$ 3.75	\$ 5.25	\$ 3.75	\$ 5.25	\$ 5.25	\$ 7.25	\$ 4.50	\$ 6.25	Walk-17, 62+
Foothills Ridge/Parks	\$ 3.75	\$ 5.25	\$ 3.75	\$ 5.25	\$ 5.25	\$ 7.25	\$ 4.50	\$ 6.25	Walk-17, 62+
Foothills Ridge/Peak/Lilly/Edge	\$ 3.75	\$ 5.25	\$ 3.75	\$ 5.25	\$ 5.25	\$ 7.25	\$ 4.50	\$ 6.25	
Fort Collins - Single Facility	\$ 3.25		\$ 3.25		\$ 4.00		\$ 3.25		2-17, 60+
Fort Collins Multi Facility									
Fort Lupton	\$ 3.00	\$ 3.50	\$ 3.00	\$ 3.50	\$ 4.00	\$ 5.00	\$ 3.00	\$ 3.50	5-18, 60+
Fort Morgan	\$ 1.00		\$ 1.00		\$ 2.00		\$ 1.50		0-18, 55+
Fraser Valley	\$ 4.55	\$ 8.00	\$ 5.20	\$ 9.00	\$ 6.50	\$ 11.00	\$ 5.20	\$ 9.00	3-12,13-17, 60+
Fruita	\$ 3.00		\$ 4.00		\$ 6.00		\$ 5.00		3-9, 10-17, 65+
Glenwood Springs	\$ 8.00	\$ 9.00	\$ 8.00	\$ 9.00	\$ 10.00	\$ 11.00	\$ 8.00	\$ 8.00	4-17, 65+
Golden	\$ 2.25		\$ 4.00		\$ 5.75		\$ 4.25		<5, 6-18, 60+
Greeley	\$ 1.50		\$ 3.50		\$ 4.50		\$ 3.50		<5, 6-15, 60+
Gunnison Community Center	\$ 4.00		\$ 4.00		\$ 6.00		\$ 4.00		5-17, 62+
Gypsum	\$ 5.00		\$ 5.00		\$ 7.00		\$ 5.00		3-17, 65+
Lafayette BBRC	\$ 2.50		\$ 3.00		\$ 4.50		\$ 2.75		2-5, 6-17, 55+
Lakewood (all centers)	\$ 2.00		\$ 4.00		\$ 5.00		\$ 5.00		<18, 62+
Lamar	\$ 2.00		\$ 2.25		\$ 2.75		\$ 2.50		<12, 13-17, 55+
Longmont Recreation Centers	\$ 3.75	\$ 4.75	\$ 4.00	\$ 5.00	\$ 5.00	\$ 6.25	\$ 4.00	\$ 5.00	2-10, 11-17, 55+
Louisville Recreation Center	\$ 4.00		\$ 4.00		\$ 6.00		\$ 4.00		3-18, 60+
Loveland	\$ 2.00		\$ 3.00		\$ 4.50		\$ 3.25		2-5, 6-18, 62+
Manitou Springs	\$ 3.00		\$ 4.00		\$ 6.50		\$ 4.00		<2, <17, 60+
Northglen	\$ 2.25	\$ 2.75	\$ 2.75	\$ 3.25	\$ 3.50	\$ 4.25	\$ 2.50	\$ 3.50	4-12, 13-17, 62+
Parker	\$ 4.00		\$ 4.00		\$ 5.00		\$ 4.00		3-14, 15-61, 62+
Salida	\$ 3.00		\$ 5.00		\$ 11.00		\$ 9.00		<5, 6-17, 6-+
South Suburban (all centers)	\$ 4.00	\$ 5.25	\$ 4.00	\$ 5.25	\$ 5.25	\$ 7.25	\$ 4.25	\$ 5.50	2-17, 65+
Sterling	\$ 1.25		\$ 1.75		\$ 2.50		\$ 1.75		4-5, 6-17, 55+
Thornton Rec Center	\$ 2.25	\$ 3.00	\$ 2.75	\$ 3.75	\$ 4.00	\$ 5.50	\$ 2.50	\$ 3.25	3-13,12-17, 61+
Trails	\$ 4.25	\$ 5.75	\$ 4.50	\$ 6.25	\$ 5.25	\$ 7.25	\$ 4.50	\$ 6.25	3-12, 13-17, 62+
Wheat Ridge	\$ 3.50	\$ 4.50	\$ 4.50	\$ 6.00	\$ 5.00	\$ 6.50	\$ 4.50	\$ 6.00	3-5, 6-17, 65+
Westminster - 1 center	\$ 3.25	\$ 4.25	\$ 3.50	\$ 5.00	\$ 4.50	\$ 6.00	\$ 3.25	\$ 4.75	3-12, 13-17, 60+
Westminster - All centers									Under 18, 60+
<b>DAILY ADMISSION AVERAGES</b>	<b>\$3.62</b>	<b>\$4.99</b>	<b>\$4.07</b>	<b>\$5.40</b>	<b>\$5.67</b>	<b>\$7.28</b>	<b>\$4.19</b>	<b>\$5.66</b>	

# Financial Overview

## Revenue Summary

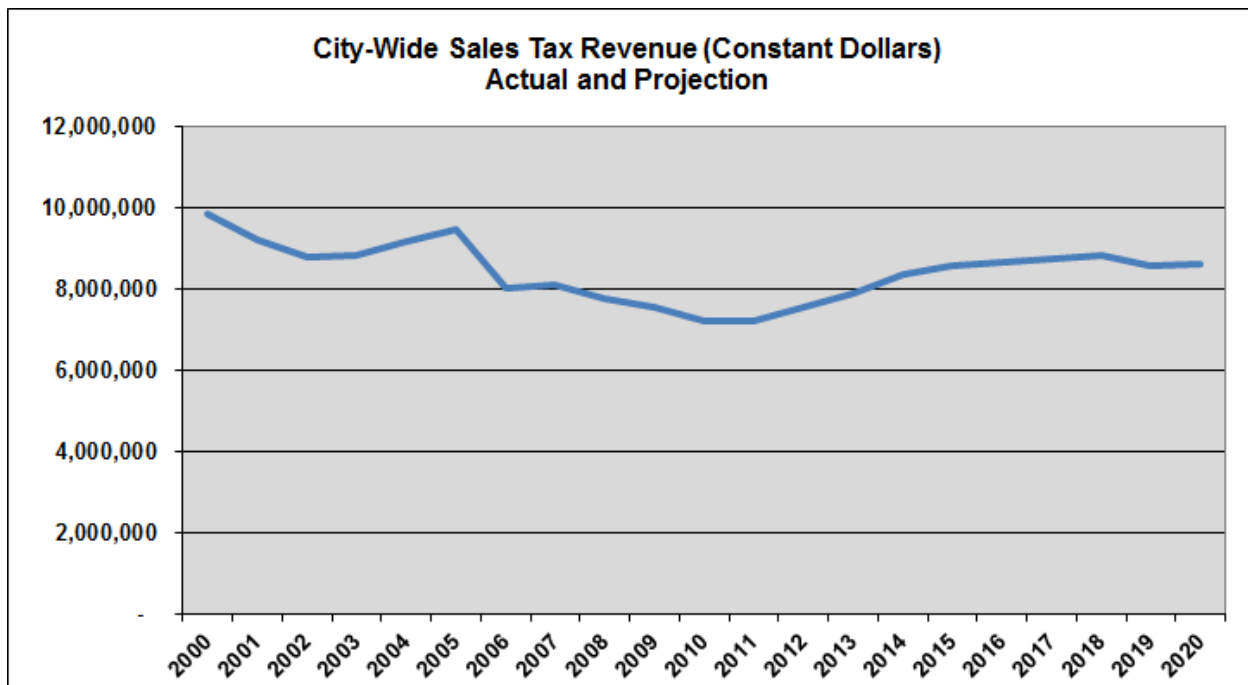
The 2016 Recommended Budget includes a total revenue projection (excluding interfund transfers and other financing sources) of \$56.2 million for all funds, an increase of 9.8% over the estimated revenue for 2015. This projected increase in City-wide revenue is mainly due to projected increases in sales and use taxes, building-related revenue (construction permits, impact fees, and utility tap fees), utility rates, and a full year of Golf Course revenue.

Sales taxes are projected to increase by 4.9% in 2015 and by 3.5% in 2016.



The following schedule shows total City-wide sales tax revenue in constant (real) dollars using the Consumer Price Index (CPI) for All Urban Consumers in the Denver-Boulder-Greeley area. Estimates for 2015 through 2020 range from 2.0% to 3.5%.



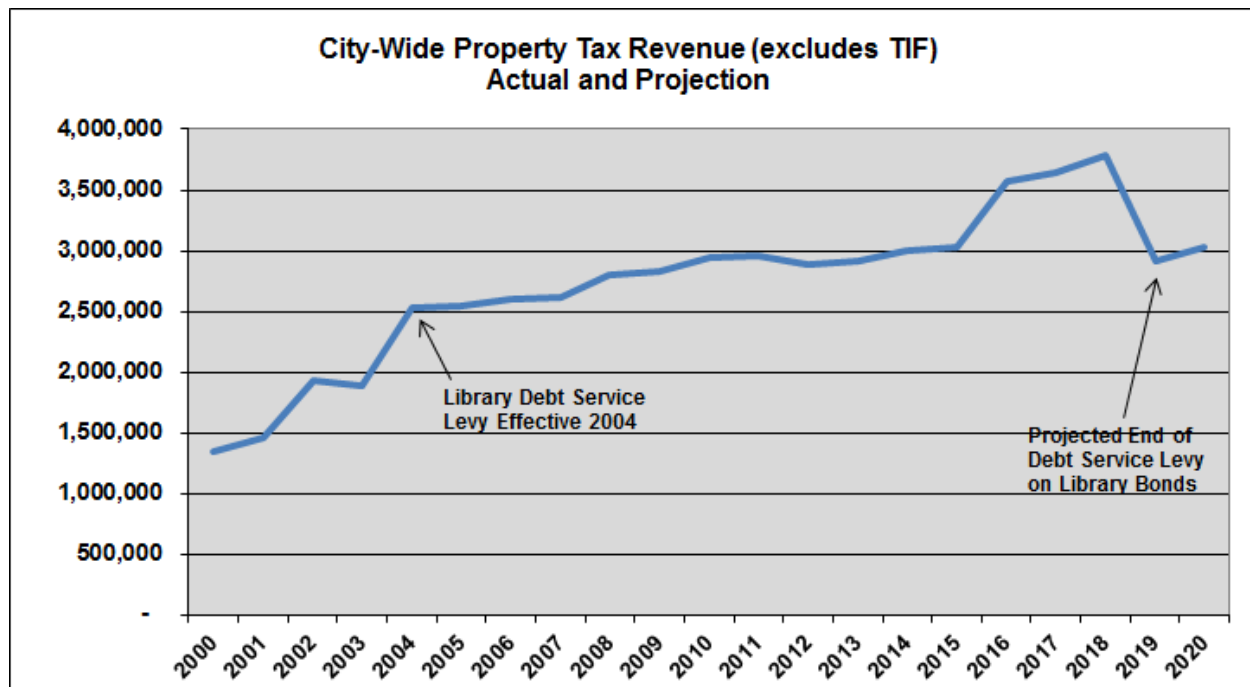


For 2016, the utility rates are proposed to increase, as follows:

- Water user rates = 11% increase
- Wastewater user rates = 20% increase
- Storm Water user rates = 12% increase

These are the increases that were prescribed in the recent utility rate study. However, staff will update the utility rate model prior to adoption of new rates to determine if these increases are still warranted.

Based on preliminary information from Boulder County, staff projects that net property tax revenue in the General Fund and in the Debt Service Fund will increase by 18.4% to reflect increases in the City's assessed valuation with no increase in the mill levy. Staff projects that net property tax revenue in the Urban Revitalization District Fund will increase by nearly 100% due to significant increases in the District's incremental assessed valuation.



## Expenditure Summary

The following schedule shows the distribution of *operating* budget by fund and cost center (department). This schedule excludes all non-departmental operations, interfund transfers, capital outlay, and debt service.

### Summary of Operational Budgets by Fund and Cost Center 2016 Recommended Budget

Cost Center	General Fund	Open Space & Parks Fund	Cemetery Fund	Historic Preservtn Fund	Capital Projects Fund	Water Utility Fund	Waste-Water Utility Fund	Storm Water Utility Fund	Solid Waste & Recycling Fund	Golf Course Fund	Totals
Public Works	2,544,990	-	-	-	290,900	3,575,630	1,600,480	160,930	1,533,700	-	9,706,630
Parks & Recreation	2,988,720	2,310,760	175,380	-	48,080	-	-	-	-	1,528,050	7,050,990
Police	4,957,310	-	-	-	-	-	-	-	-	-	4,957,310
General Administration	2,094,690	-	-	-	-	79,450	59,590	-	-	-	2,233,730
Library & Museum	1,778,000	-	-	15,490	-	-	-	-	-	-	1,793,490
Planning & Building Safety	1,104,470	-	-	147,010	-	12,220	6,110	-	-	-	1,269,810
Finance	478,820	58,900	-	15,730	155,110	206,070	131,810	21,950	34,080	-	1,102,470
Human Resources	437,090	-	-	-	-	89,410	67,060	-	-	-	593,560
Information Technology	415,860	-	-	-	-	81,300	60,970	-	-	-	558,130
Economic Development	198,290	-	-	-	-	-	-	-	-	-	198,290
<b>Totals</b>	<b>16,998,240</b>	<b>2,369,660</b>	<b>175,380</b>	<b>178,230</b>	<b>494,090</b>	<b>4,044,080</b>	<b>1,926,020</b>	<b>182,880</b>	<b>1,567,780</b>	<b>1,528,050</b>	<b>29,464,410</b>

*Amounts include only department operating budgets and exclude all non-departmental operations, interfund transfers, capital outlay, and debt service.*

Three additional full-time positions are recommended resulting in three additional full-time equivalents:

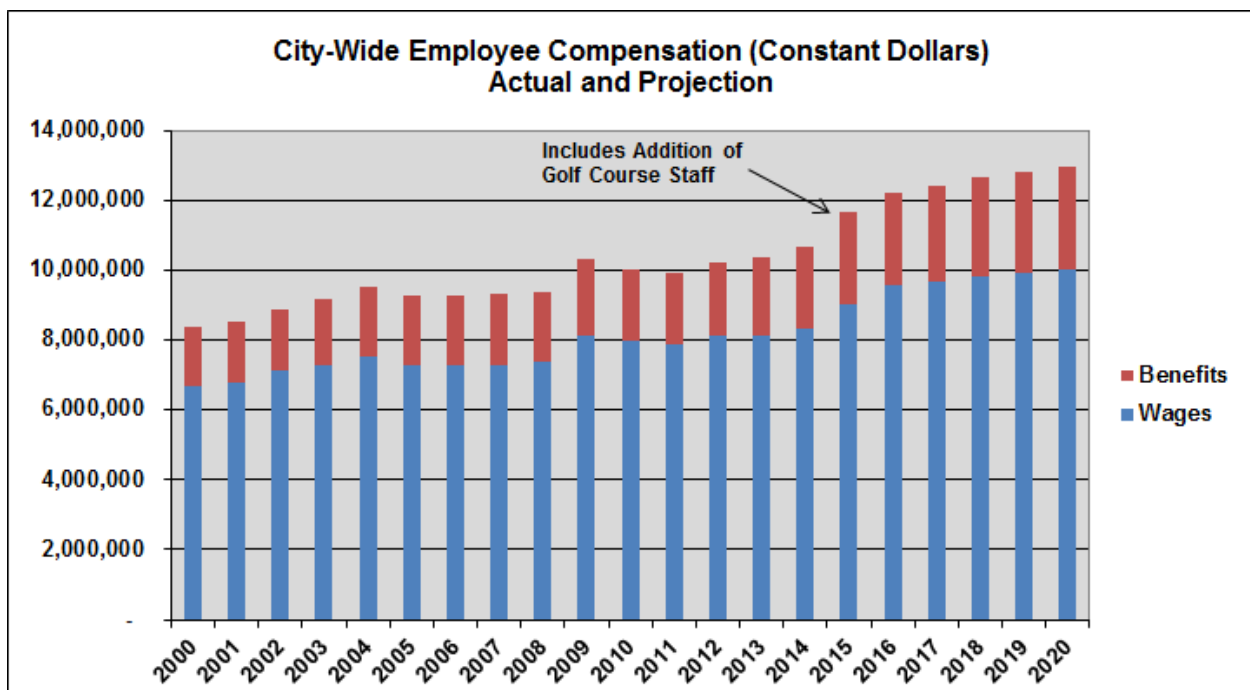
- Combined Property Evidence Technician (0.25 FTE) and Senior Administrative Assistant (0.75 FTE)
- Weed Coordinator (1.0 FTE)
- Park Technician III – Horticulturalist (1.0 FTE)

Seven additional full-time positions were requested, but are not recommended at this time:

- Management Analyst (1.0 FTE)
- Patrol Officers (5.0 FTE's)
- Recreation Facility Technician (1.0 FTE)

An additional 15,798 hours (7.60 FTE's) over the 2015 budget are recommended for part-time, non-benefitted positions. This includes three new position categories:

- CMO Intern (0.23 FTE)
- Sustainability Coordinator (0.50 FTE)
- Historic Preservation Intern (0.60 FTE)



The following schedule summarizes the department requests and the 2016 Recommended Budget as they pertain to part-time, non-benefitted hours, full-time equivalents, and dollar amounts budgeted.

**Summary of Part-Time Non-Benefitted Wages & Full-Time Equivalents  
2014 - 2016**

Position	2014 Actual		2015 Estimate				2016 Recommended Budget			
	Annual Hours	FTE's	Annual Hours	FTE's	Average Rate	2015 Bdgt	Annual Hours	FTE's	Average Rate	2016 Bdgt
CMO Intern	-	-	-	-		-	480	0.23	15.00	7,200
<b>Total City Manager - Administration</b>	-	-	-	-		-	480	0.23		7,200
Camera Console Operator	716	0.34	800	0.38	12.88	10,304	850	0.41	13.00	11,050
<b>Total City Manager - Cable Television</b>	716	0.34	800	0.38		10,304	850	0.41		11,050
HR Tech	9	0.00	1,300	0.63	19.25	25,025	1,300	0.63	19.44	25,272
<b>Total Human Resources</b>	9	0.00	1,300	0.63		25,025	1,300	0.63		25,272
Front Counter Assistant	872	0.42	-	-		-	-	-		-
<b>Total Finance</b>	872	0.42	-	-		-	-	-		-
Sustainability Coordinator	-	-	-	-		-	208	0.10	22.50	4,680
<b>Total Public Works Administration</b>	-	-	-	-		-	208	0.10		4,680
Sustainability Coordinator	-	-	-	-		-	208	0.10	22.50	4,680
<b>Total Building Maintenance</b>	-	-	-	-		-	208	0.10		4,680
Assistant to the Planning Department	243	0.12	150	0.07	30.30	4,545	150	0.07	30.30	4,545
<b>Total Planning</b>	243	0.12	150	0.07		4,545	150	0.07		4,545
Administrative Assistant	73	0.04	80	0.04	30.30	2,424	80	0.04	30.30	2,424
Admin/Permit Tech	-	-	-	-		-	780	0.38	23.88	18,626
<b>Total Building Safety</b>	73	0.04	80	0.04		2,424	860	0.41		21,050
Library Technician I	2,852	1.37	3,000	1.44	17.68	53,040	2,740	1.32	18.00	49,320
Librarian - Temporary	16	0.01	-	-		-	-	-		-
Librarian I	119	0.06	-	-		-	-	-		-
Library Clerk	7,868	3.78	7,018	3.37	13.85	97,199	7,025	3.38	14.36	100,879
Library Page	3,462	1.66	4,808	2.31	10.67	51,301	4,810	2.31	10.67	51,323
Cataloging Interns	360	0.17	-	-		-	-	-		-
Summer Reading Program Intern - Children's	-	-	135	0.06	15.00	2,025	135	0.06	15.00	2,025
Librarian I - Adult Services	-	-	280	0.13	24.00	6,720	1,664	0.80	24.00	39,936
Librarian I - Children's Services	-	-	750	0.36	19.00	14,250	1,300	0.63	19.00	24,700
<b>Total Library</b>	14,677	7.06	15,991	7.69		224,536	17,674	8.50		268,183
Cataloging Interns	-	-	360	0.17	15.00	5,400	360	0.17	15.00	5,400
Museum Technician I	15	0.01	520	0.25	17.00	8,840	520	0.25	17.25	8,970
Summer Intern	-	-	-	-	15.00	-	100	0.05	15.00	1,500
<b>Total Museum</b>	15	0.01	880	0.42		14,240	980	0.47		15,870
Rec Services Rep - Guest Services	8,899	4.28	9,070	4.36	11.53	104,577	9,100	4.38	11.65	106,015
Rec Services Rep - Child Care	3,711	1.78	3,000	1.44	9.94	29,820	3,000	1.44	10.04	30,120
<b>Total Recreation Center Management</b>	12,610	6.06	12,070	5.80		134,397	12,100	5.82		136,135
Lifeguard	9,965	4.79	10,470	5.03	11.24	117,683	10,470	5.03	11.35	118,835
WSI	1,258	0.60	1,484	0.71	11.76	17,452	1,484	0.71	11.87	17,615
Water Aerobics	1,184	0.57	723	0.35	16.46	11,901	723	0.35	16.62	12,016
Private Lessons	968	0.47	850	0.41	18.43	15,666	850	0.41	18.61	15,819
<b>Total Recreation Center Aquatics</b>	13,374	6.43	13,527	6.50		162,701	13,527	6.50		164,284

(continued)

**Summary of Part-Time Non-Benefitted Wages & Full-Time Equivalents  
2014 - 2016  
(continued)**

Position	2014 Actual		2015 Estimate				2016 Recommended Budget			
	Annual Hours	FTE's	Annual Hours	FTE's	Average Rate	2015 Bdgt	Annual Hours	FTE's	Average Rate	2016 Bdgt
Fitness Instructor I	2	0.00	-	-		-	-	-		-
Fitness Instructor II	39	0.02	-	-		-	-	-		-
Fitness Instructor III	128	0.06	2,600	1.25	20.00	52,000	2,600	1.25	20.20	52,520
Fitness Instructor IV	2,604	1.25	-	-		-	-	-		-
<b>Total Fitness &amp; Wellness</b>	<b>2,772</b>	<b>1.33</b>	<b>2,600</b>	<b>1.25</b>		<b>52,000</b>	<b>2,600</b>	<b>1.25</b>		<b>52,520</b>
Preschool	3,536	1.70	3,802	1.83	13.05	49,616	3,802	1.83	13.18	50,110
Camp	3,103	1.49	3,235	1.56	11.24	36,361	3,235	1.56	11.35	36,717
Enrichment Programs	-	-	256	0.12	13.13	3,361	256	0.12	13.26	3,395
Red Cross	46	0.02	98	0.05	13.13	1,287	98	0.05	13.26	1,299
Volocity	149	0.07	128	0.06	13.64	1,746	128	0.06	13.78	1,764
<b>Total Youth Activities</b>	<b>6,834</b>	<b>3.29</b>	<b>7,519</b>	<b>3.61</b>		<b>92,371</b>	<b>7,519</b>	<b>3.61</b>		<b>93,285</b>
Lifeguard	2,719	1.31	2,313	1.11	11.24	25,998	2,313	1.11	11.35	26,253
WSI	96	0.05	420	0.20	11.76	4,939	420	0.20	11.87	4,985
Water Aerobics	35	0.02	70	0.03	16.46	1,152	70	0.03	16.62	1,163
Pool Manager	22	0.01	-	-		-	-	-		-
<b>Total Memory Square Pool</b>	<b>2,871</b>	<b>1.38</b>	<b>2,803</b>	<b>1.35</b>		<b>32,090</b>	<b>2,803</b>	<b>1.35</b>		<b>32,401</b>
Instructor	2,375	1.14	2,200	1.06	12.34	27,148	2,400	1.15	12.46	29,904
<b>Total Youth Sports</b>	<b>2,375</b>	<b>1.14</b>	<b>2,200</b>	<b>1.06</b>		<b>27,148</b>	<b>2,400</b>	<b>1.15</b>		<b>29,904</b>
Instructor	67	0.03	80	0.04	20.25	1,620	100	0.05	20.45	2,045
<b>Total Adult Sports</b>	<b>67</b>	<b>0.03</b>	<b>80</b>	<b>0.04</b>		<b>1,620</b>	<b>100</b>	<b>0.05</b>		<b>2,045</b>
Fitness Instructor III	566	0.27	620	0.30	18.05	11,191	620	0.30	20.04	12,425
Art Instructor II	43	0.02	-	-		-	-	-		-
Rec Aide	-	-	468	0.23	14.25	6,669	468	0.23	14.40	6,739
<b>Total Seniors</b>	<b>609</b>	<b>0.29</b>	<b>1,088</b>	<b>0.52</b>		<b>17,860</b>	<b>1,088</b>	<b>0.52</b>		<b>19,164</b>
Senior Meal Coordinator	1,059	0.51	1,058	0.51	12.73	13,468	1,040	0.50	14.40	14,976
<b>Total Senior Meals</b>	<b>1,059</b>	<b>0.51</b>	<b>1,058</b>	<b>0.51</b>		<b>13,468</b>	<b>1,040</b>	<b>0.50</b>		<b>14,976</b>
Rec Service Rep	1,045	0.50	1,100	0.53	10.20	11,220	1,100	0.53	10.30	11,330
Program Leader	160	0.08	250	0.12	12.00	3,000	250	0.12	12.12	3,030
Asst. Prog Leader	167	0.08	250	0.12	11.00	2,750	250	0.12	11.11	2,778
Lifeguard	145	0.07	250	0.12	9.50	2,375	200	0.10	9.60	1,920
<b>Total Nite at the Rec</b>	<b>1,517</b>	<b>0.73</b>	<b>1,850</b>	<b>0.89</b>		<b>19,345</b>	<b>1,800</b>	<b>0.87</b>		<b>19,058</b>
Parks Tech I	569	0.27	-	-		-	-	-		-
<b>Total Athletic Field Maintenance</b>	<b>569</b>	<b>0.27</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Open Space Seasonal	-	-	1,040	0.50	12.00	12,480	1,040	0.50	12.00	12,480
Open Space & Parks Rangers	-	-	1,040	0.50	17.00	17,680	-	-		-
Rangers - Naturalists	-	-	-	-		-	780	0.38	17.00	13,260
Parks Tech I	624	0.30	-	-		-	-	-		-
Parks Seasonal	11,633	5.59	-	-		-	-	-		-
<b>Total Open Space Operations</b>	<b>12,257</b>	<b>5.89</b>	<b>2,080</b>	<b>1.00</b>		<b>30,160</b>	<b>1,820</b>	<b>0.88</b>		<b>25,740</b>

(continued)

**Summary of Part-Time Non-Benefitted Wages & Full-Time Equivalents  
2014 - 2016  
(continued)**

Position	2014 Actual		2015 Estimate				2016 Recommended Budget			
	Annual Hours	FTE's	Annual Hours	FTE's	Average Rate	2015 Bdgt	Annual Hours	FTE's	Average Rate	2016 Bdgt
Rangers - Naturalists	-	-	-	-		-	260	0.13	17.00	4,420
Parks Seasonal	-	-	11,555	5.56	12.00	138,660	13,520	6.50	12.13	163,998
<b>Total Parks Operations</b>	-	-	<b>11,555</b>	<b>5.56</b>		<b>138,660</b>	<b>13,780</b>	<b>6.63</b>		<b>168,418</b>
Historic Preservation Intern	-	-	-	-		-	1,248	0.60	15.00	18,720
<b>Total Historic Preservation Administration</b>	-	-	-	-		-	<b>1,248</b>	<b>0.60</b>		<b>18,720</b>
Seasonal Worker	-	-	700	0.34	16.00	11,200	700	0.34	17.50	12,250
<b>Total Capital Projects Administration</b>	-	-	<b>700</b>	<b>0.34</b>		<b>11,200</b>	<b>700</b>	<b>0.34</b>		<b>12,250</b>
Intern	1,190	0.57	960	0.46	16.16	15,514	960	0.46	16.48	15,821
Seasonal Worker	413	0.20	480	0.23	12.63	6,062	480	0.23	12.76	6,125
Sustainability Coordinator	-	-	-	-		-	208	0.10	22.50	4,680
<b>Total Water Plant Operations</b>	<b>1,603</b>	<b>0.77</b>	<b>1,440</b>	<b>0.69</b>		<b>21,576</b>	<b>1,648</b>	<b>0.79</b>		<b>26,626</b>
Intern	-	-	960	0.46	16.16	15,514	960	0.46	16.48	15,821
Seasonal Worker	413	0.20	480	0.23	12.63	6,062	480	0.23	12.76	6,125
<b>Total Raw Water Operations</b>	<b>413</b>	<b>0.20</b>	<b>1,440</b>	<b>0.69</b>		<b>21,576</b>	<b>1,440</b>	<b>0.69</b>		<b>21,946</b>
Intern	859	0.41	1,040	0.50	16.16	16,806	1,040	0.50	16.48	17,139
Seasonal Worker	393	0.19	1,040	0.50	12.63	13,135	1,040	0.50	12.76	13,270
WWTP Trainee	-	-	-	-		-	-	-		-
<b>Total WWTP Operations</b>	<b>1,252</b>	<b>0.60</b>	<b>2,080</b>	<b>1.00</b>		<b>29,942</b>	<b>2,080</b>	<b>1.00</b>		<b>30,410</b>
Seasonal Worker	-	-	4,227	2.03	13.72	57,994	10,584	5.09	11.00	116,424
<b>Total Golf Operations &amp; Pro Shop</b>	-	-	<b>4,227</b>	<b>2.03</b>		<b>57,994</b>	<b>10,584</b>	<b>5.09</b>		<b>116,424</b>
Seasonal Worker	-	-	2,536	1.22	12.13	30,762	8,800	4.23	13.72	120,736
<b>Total Course Maintenance</b>	-	-	<b>2,536</b>	<b>1.22</b>		<b>30,762</b>	<b>8,800</b>	<b>4.23</b>		<b>120,736</b>
Sustainability Coordinator	-	-	-	-		-	416	0.20	22.50	9,360
<b>Total Solid Waste &amp; Recycling</b>	-	-	-	-		-	<b>416</b>	<b>0.20</b>		<b>9,360</b>
<b>Total for All Departments</b>	<b>76,786</b>	<b>36.92</b>	<b>90,054</b>	<b>43.30</b>		<b>311,710</b>	<b>110,203</b>	<b>52.98</b>		<b>1,476,931</b>

The final schedule on full-time equivalents shows the distribution by fund and cost center (department). This schedule incorporates all full-time equivalents; full-time, part-time, and seasonal.

**Summary of Full-Time Equivalents by Fund and Cost Center  
2016 Recommended Budget**

<b>Cost Center</b>	<b>General Fund</b>	<b>Open Space &amp; Parks Fund</b>	<b>Cemetery Fund</b>	<b>Historic Preserv Fund</b>	<b>Capital Projects Fund</b>	<b>Water Utility Fund</b>	<b>Waste-Water Utility Fund</b>	<b>Storm Water Utility Fund</b>	<b>Solid Waste &amp; Recycl Fund</b>	<b>Golf Course Fund</b>	<b>Totals</b>
Parks & Recreation	35.89	25.29	1.65	-	0.50	-	-	-	-	16.67	80.00
Public Works	14.92	-	-	-	2.54	19.56	10.59	1.08	0.35	-	49.04
Police	40.00	-	-	-	-	-	-	-	-	-	40.00
Library & Museum	21.00	-	-	0.23	-	-	-	-	-	-	21.23
Planning & Building Safety	8.98	-	-	0.95	-	0.10	0.05	-	-	-	10.08
Finance	3.97	0.64	-	0.18	1.64	1.24	0.64	0.18	0.28	-	8.77
General Administration	8.10	-	-	-	-	0.35	0.26	-	-	-	8.71
Human Resources	3.81	-	-	-	-	0.98	0.74	-	-	-	5.53
Information Technology	2.60	-	-	-	-	0.80	0.60	-	-	-	4.00
Economic Development	1.00	-	-	-	-	-	-	-	-	-	1.00
<b>Totals</b>	<b>140.27</b>	<b>25.93</b>	<b>1.65</b>	<b>1.36</b>	<b>4.68</b>	<b>23.03</b>	<b>12.88</b>	<b>1.26</b>	<b>0.63</b>	<b>16.67</b>	<b>228.36</b>

The next two schedules summarize the transfers between funds that are estimated for 2015 and are recommended for 2016.

**Inter-Fund Transfers Matrix  
2015 Estimate**

<b>Transfers Out</b>	<b>Transfers In</b>							<b>Total</b>
	<b>General Fund</b>	<b>OS&amp;P Fund</b>	<b>Cemetery Fund</b>	<b>Capital Projects Fund</b>	<b>Impact Fee Fund</b>	<b>Waste-water Fund</b>	<b>Golf Course Fund</b>	
General Fund		249,670 <sup>a</sup>	141,630 <sup>b</sup>	900,000 <sup>c</sup>	98,370 <sup>d</sup>		407,950 <sup>e</sup>	1,797,620
Cemetery Perpetual Care Fund			2,000 <sup>f</sup>					2,000
Historic Preservation Fund	250,000 <sup>g</sup>							250,000
Capital Projects Fund							852,300 <sup>h</sup>	852,300
Impact Fee Fund		161,000 <sup>i</sup>		172,000 <sup>i</sup>				333,000
Golf Course Fund						225,000 <sup>j</sup>		225,000
<b>Total</b>	<b>250,000</b>	<b>410,670</b>	<b>143,630</b>	<b>1,072,000</b>	<b>98,370</b>	<b>225,000</b>	<b>1,260,250</b>	<b>3,459,920</b>

<sup>a</sup> Annual recurring support for operations and capital.

<sup>b</sup> Annual recurring support for operations and capital.

<sup>c</sup> A one-time, non-recurring transfer to help fund capital projects scheduled for 2015.

<sup>d</sup> A one-time, non-recurring transfer for waived Impact Fees from (Boulder County Housing Authority).

<sup>e</sup> A one-time, non-recurring transfer to fund operations prior to the re-opening of the Golf Course.

<sup>f</sup> Annual recurring transfer of interest earned used to fund operations and capital.

<sup>g</sup> Final repayment on \$1.5 million loan to fund acquisition of the Grain Elevator.

<sup>h</sup> A one-time, non-recurring transfer for Golf Course capital projects.

<sup>i</sup> Annual transfer of impact fee revenue for projects eligible for this type of funding.

<sup>j</sup> Annual repayment on \$1.8 million loan for capital projects and debt defeasance. Final payment scheduled for 2021.



**Inter-Fund Transfers Matrix  
2016 Recommended Budget**

<b>Transfers Out</b>	<b>Transfers In</b>				<b>Total</b>
	<b>OS&amp;P Fund</b>	<b>Cemetery Fund</b>	<b>Capital Projects Fund</b>	<b>Waste- water Fund</b>	
General Fund	924,635 <sup>a</sup>	128,950 <sup>b</sup>			1,053,585
Cemetery Perpetual Care Fund		2,000 <sup>c</sup>			2,000
Impact Fee Fund	739,000 <sup>d</sup>		1,005,000 <sup>d</sup>		1,744,000
Golf Course Fund				225,000 <sup>e</sup>	225,000
<b>Total</b>	<b>1,663,635</b>	<b>130,950</b>	<b>1,005,000</b>	<b>225,000</b>	<b>3,024,585</b>

<sup>a</sup> Annual recurring support for operations and capital. 2016 transfer includes \$250,000 for reserve build-up.

<sup>b</sup> Annual recurring support for operations and capital.

<sup>c</sup> Annual recurring transfer of interest earned used to fund operations and capital.

<sup>d</sup> Annual transfer of impact fee revenue for projects eligible for this type of funding.

<sup>e</sup> Annual repayment on \$1.8 million loan for capital projects and debt defeasance.

The 2016 Recommended Budget includes total expenditures (excluding interfund transfers) of \$68.1 million, a reduction of \$16.8 million (9.7%) from 2015 expenditure estimates. This projected decline in City-wide expenditures is due to projected reductions in capital spending from 2015 to 2016. However, there may be some carry-forward of 2015 capital appropriations to 2016 through a future budget amendment for capital projects that span more than one fiscal year. Total expenditures include \$30.4 million for operations, \$3.6 million for debt service, and \$33.8 million for capital outlay. Total proposed appropriations for all funds, *including* interfund transfers, are \$71.1 million.



## Schedule of Revenue, Expenditures, & Changes to Fund Balances

### All Funds 2014 - 2016

	2014 Actual	2015 Budget	2015 Estimate	2016 Req Bdgt	2016 Rec Bdgt	Am't of Change	% of Change
Beginning Fund Balance	46,599,953	42,826,884	42,826,884	42,430,574	42,430,574		
Revenue							
Taxes	19,993,142	20,724,620	21,271,790	22,125,200	22,252,521	1,527,901	7.37%
Licenses & Permits	1,091,849	1,386,500	1,689,930	1,815,980	1,504,090	117,590	8.48%
Intergovernmental Revenue	4,135,026	9,031,060	9,372,630	6,139,890	6,106,860	(2,924,200)	-32.38%
Charges for Services	14,218,821	18,258,160	17,789,320	26,767,440	25,274,250	7,016,090	38.43%
Fines & Forfeitures	250,634	227,470	220,210	233,300	233,300	5,830	2.56%
Miscellaneous Revenue	892,606	548,570	831,770	713,230	792,230	243,660	44.42%
Other Financing Sources	783,885	18,652,770	33,351,870	3,750,000	3,750,000	(14,902,770)	-79.90%
Interfund Transfers	11,951,486	4,552,220	3,459,920	2,508,810	3,024,585	(1,527,635)	-33.56%
Total Revenue	53,317,449	73,381,370	87,987,440	64,053,850	62,937,836	(10,443,534)	-14.23%
Expenditures							
Administration & Operations	24,640,024	29,427,920	28,566,250	30,888,081	30,390,520	962,600	3.27%
Debt Service	1,716,924	4,083,560	2,278,920	3,576,620	3,576,620	(506,940)	-12.41%
Capital Outlay	18,510,142	53,965,720	53,753,460	33,745,180	33,781,930	(20,183,790)	-37.40%
Other Financing Uses	271,943	325,200	325,200	328,800	328,800	3,600	1.11%
Transfers	11,951,486	4,552,220	3,459,920	2,508,810	3,024,585	(1,527,635)	-33.56%
Total Expenditures	57,090,518	92,354,620	88,383,750	71,047,491	71,102,455	(21,252,165)	-23.01%
Ending Fund Balance	42,826,884	23,853,633	42,430,574	35,436,933	34,265,955		

*Note: This Schedule Does **Not** Contain the 3% General Fund Turnback Amounts*

## Individual Funds & Long-Term Forecasts

The 2016 Recommended Budget has been incorporated into the City's Long-Term Financial Plan as the new "base year". The Plan's long-term revenue assumptions and long-term expenditure targets have been applied to the 2016 Recommended Budget to project revenue, expenditures, and changes in fund balances for 2017 through 2020. The term expenditure *targets* is used, rather than expenditure *assumptions*, to denote a greater degree of management control over expenditures in comparison to revenue.

The following schedule summarizes some of the more significant revenue assumptions used in the Long-Term Financial Plan.

## Summary of Significant Revenue Assumptions

Revenue Category	2014	2015	Percent of Change from Prior Year					
	Actual	Estimate	2015	2016	2017	2018	2019	2020
Taxes:								
Sales Tax	11,461,675	12,020,340	4.9%	3.5%	3.5%	3.5%	-0.2%	3.5%
Property Tax	2,996,509	3,037,500	1.4%	17.6%	2.1%	3.6%	-22.7%	3.6%
Use Tax - Consumer	1,459,890	1,532,890	5.0%	2.0%	1.0%	1.0%	-2.6%	1.0%
Use Tax - Building Materials	1,217,640	1,886,710	54.9%	-19.8%	-24.8%	-33.1%	-44.9%	-24.0%
Use Tax - Auto	1,235,703	1,235,700	0.0%	0.4%	2.0%	2.0%	-2.0%	2.0%
Franchise Taxes	1,123,486	1,052,350	-6.3%	2.1%	2.0%	2.0%	1.9%	1.9%
Lodging Tax	428,075	470,880	10.0%	4.0%	3.0%	3.0%	2.5%	2.5%
Specific Ownership Tax	160,034	163,230	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%
Licenses & Permits:								
Construction Permits	714,821	1,270,620	77.8%	-12.7%	-8.8%	-38.2%	-28.2%	-21.6%
Minor Building-Related Permits	245,101	242,730	-1.0%	-31.3%	2.0%	2.0%	2.0%	2.0%
Intergovernmental Revenue:								
Highway Users Tax	608,508	620,680	2.0%	-4.7%	1.0%	1.0%	1.0%	1.0%
State Lottery	183,996	184,000	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Charges for Services:								
Water User Fees	4,641,032	3,950,060	-14.9%	10.8%	11.0%	3.8%	0.8%	0.8%
Water Tap Fees	2,260,605	3,927,190	73.7%	117.1%	-45.1%	-66.8%	-53.4%	-100.0%
Wastewater User Fees	2,289,406	2,605,850	13.8%	19.9%	10.7%	2.4%	1.2%	1.3%
Recreation Center Fees	1,869,815	1,830,370	-2.1%	1.0%	-0.2%	0.0%	0.0%	0.0%
Solid Waste User Fees	1,227,599	1,431,830	16.6%	3.0%	3.1%	3.1%	3.1%	3.0%
Impact Fees	469,423	1,740,200	270.7%	-53.4%	22.1%	-67.8%	-47.5%	-100.0%
Wastewater Tap Fees	489,959	485,100	-1.0%	314.4%	-43.4%	-81.1%	-38.2%	-100.0%
Storm Water User Fees	629,963	705,560	12.0%	12.0%	6.7%	1.5%	1.0%	1.0%
Fines & Forfeitures								
Court Fines	188,008	159,810	-15.0%	6.4%	0.0%	0.0%	0.0%	0.0%

The next schedule summarizes some of the more significant expenditure targets used in the Long-Term Financial Plan.

## Summary of Significant Expenditure Targets

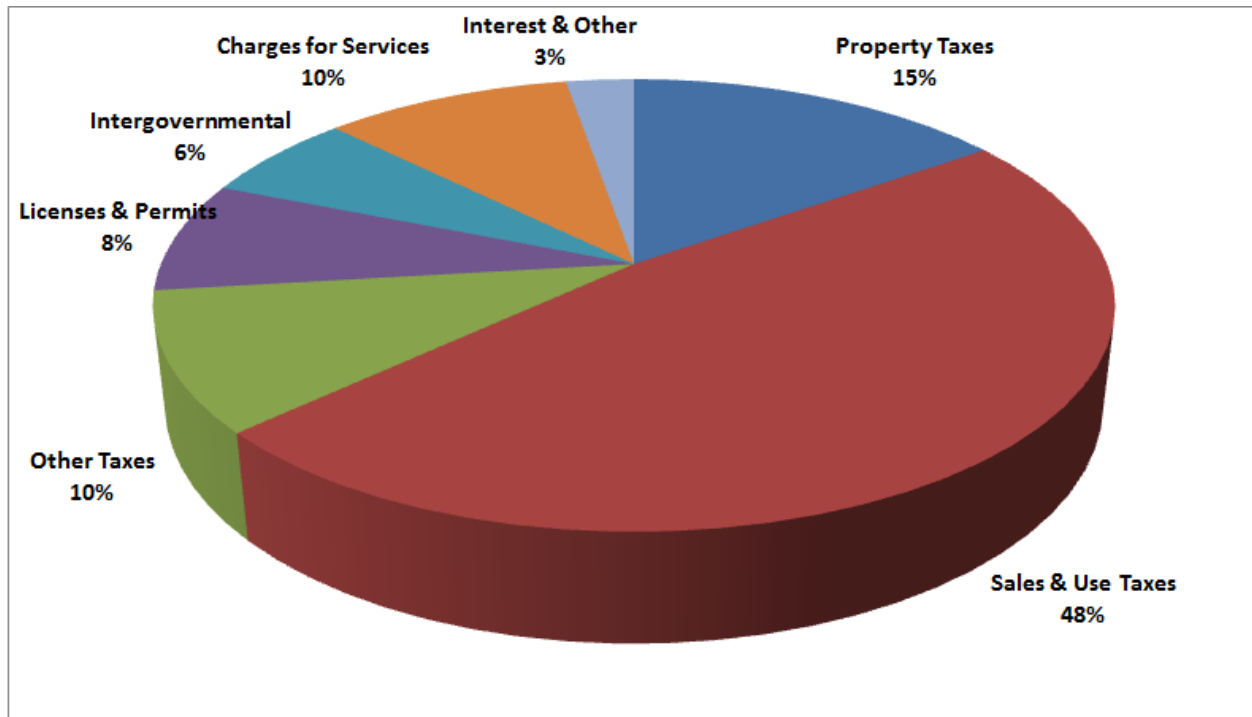
Revenue Category	2014	2015	Percent of Change from Prior Year					
	Actual	Estimate	2015	2016	2017	2018	2019	2020
<b>Salaries &amp; Wages:</b>								
Regular Wages	10,123,438	10,969,540	8.4%	7.4%	4.0%	4.0%	4.0%	4.0%
Temporary Wages	955,954	1,241,860	29.9%	20.9%	3.9%	3.9%	3.9%	3.9%
Overtime	345,091	382,070	10.7%	3.6%	4.0%	4.0%	4.0%	4.0%
<b>Employee Benefits:</b>								
Employee Health Insurance	1,576,320	1,895,370	20.2%	2.6%	6.5%	7.0%	7.0%	7.0%
FICA Expense	838,967	964,130	14.9%	8.3%	3.6%	4.0%	4.0%	4.0%
Retirement Contribution	595,362	626,650	5.3%	6.8%	3.4%	4.0%	4.0%	4.0%
Workers Compensation	158,980	172,110	8.3%	-1.2%	2.0%	2.0%	2.0%	2.0%
<b>Supplies:</b>								
Chemicals	294,273	355,200	20.7%	4.2%	4.0%	4.5%	5.0%	5.0%
Vehicle Maintenance Supplies	230,506	252,490	9.5%	6.6%	4.0%	4.5%	5.0%	5.0%
Street Supplies	137,336	148,500	8.1%	0.7%	4.0%	4.5%	5.0%	5.0%
Uniforms & Clothing	83,318	100,000	20.0%	4.3%	3.0%	3.0%	3.0%	3.0%
Library Books	73,852	75,030	1.6%	8.6%	1.0%	1.0%	1.0%	1.0%
Other Operating Supplies	498,295	623,490	25.1%	21.5%	4.0%	4.5%	5.0%	5.0%
<b>Purchased Services:</b>								
Professional Services	1,656,252	2,221,320	34.1%	7.3%	-2.5%	2.9%	2.9%	2.9%
Solid Waste Hauling	1,232,614	1,404,250	13.9%	3.0%	3.1%	3.1%	3.1%	3.1%
Utilities	1,316,522	1,502,640	14.1%	21.1%	10.3%	4.0%	4.0%	4.0%
Repairs & Maintenance	1,219,178	964,190	-20.9%	15.5%	-1.1%	4.5%	5.0%	5.0%
Insurance Premiums	321,009	350,990	9.3%	10.5%	4.9%	5.9%	5.9%	5.9%
Legal Services	325,412	375,610	15.4%	-2.4%	3.4%	3.4%	3.4%	3.4%
Boulder Dispatch Service	289,249	296,230	2.4%	0.0%	2.5%	2.5%	2.5%	2.5%
Communications	108,839	136,300	25.2%	5.0%	0.0%	0.0%	0.0%	0.0%
Other Purchased Services	1,140,845	1,766,250	54.8%	0.7%	0.5%	4.2%	4.4%	4.6%

### General Fund

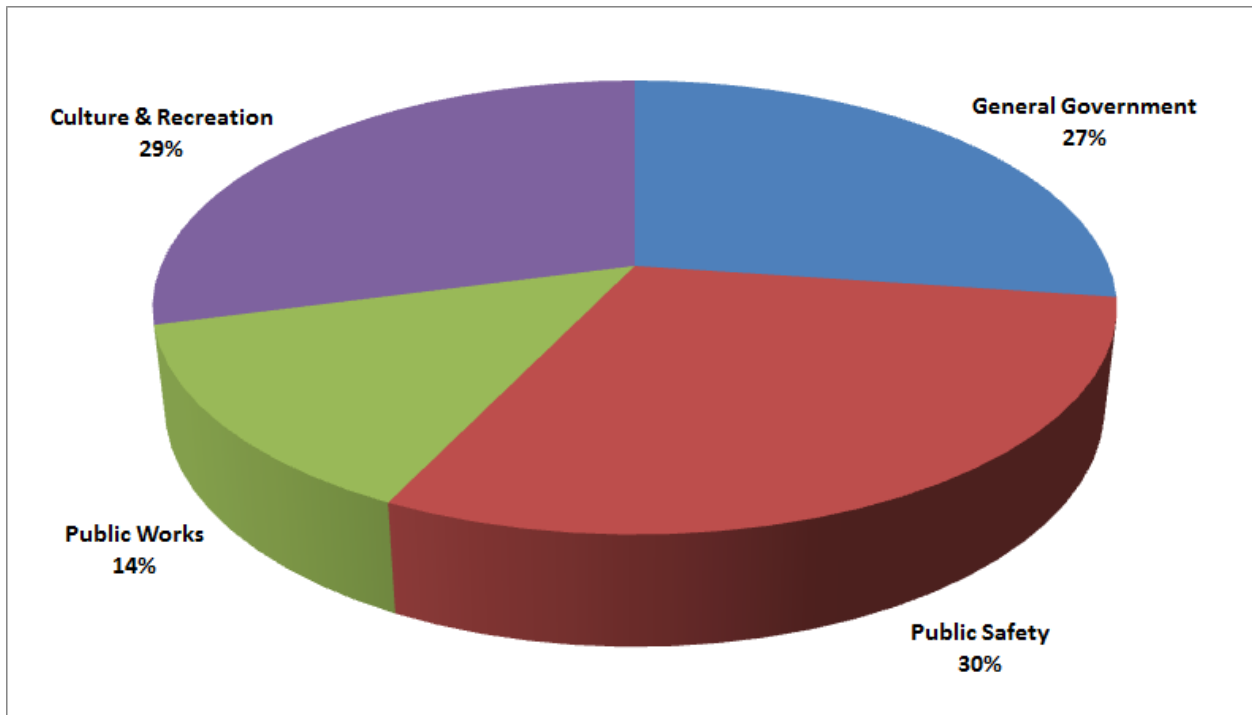
Staff estimates that, by year-end 2015, total General Fund revenue, excluding interfund transfers and sales of assets, will exceed total General Fund expenditures, excluding interfund transfers, by approximately \$1.3 million. Total General Fund revenue, including all sources, is projected to exceed total General Fund expenditures, including all uses, by \$951,000, increasing year-end fund balance to \$4.6 million.

For 2016, staff estimates that total General Fund revenue, *excluding* interfund transfers, will exceed total General Fund expenditures, *excluding* interfund transfers, by approximately \$1.1 million. However, *including* all interfund transfers, and factoring in a 3% expenditure “turnback” (a positive budget-to-actual variance), the General Fund balance is projected to increase by approximately \$550,000.

## General Fund Revenue by Source



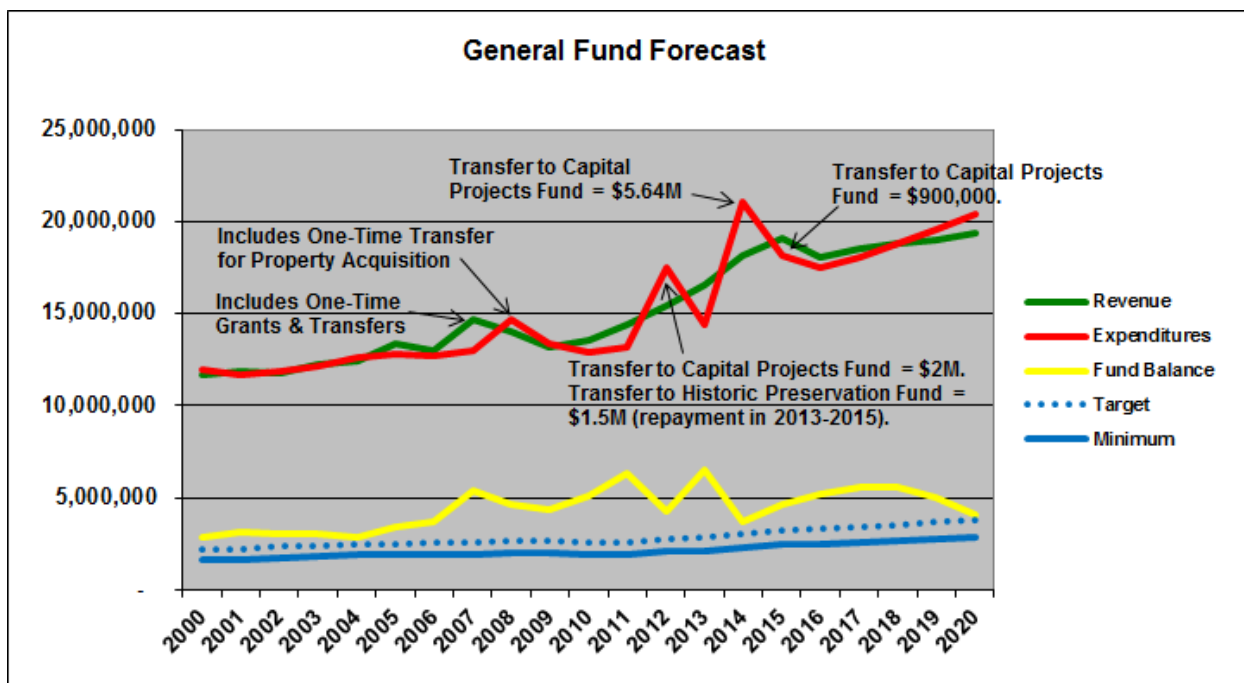
## General Fund Expenditures by Function



The General Fund balance at the end of 2016 is projected at \$5,163,000, or 31.3% of General Fund operating expenditures. Per current policy, the General Fund is required to maintain a reserve of 15% of annual operating expenditures.

The 2015 budget an ongoing operational subsidy transfer from the General Fund to the Parks & Open Space Fund. The transfer for 2015 is estimated to be \$250,000 and will prevent further decline in the Open Space & Parks Fund's reserves over what is necessary to fund 25% of the City Services Facility. The 2016 Recommended Budget proposes to change the calculation of the annual General Fund transfer to *50% of the Parks Operations budget*. From 2016 through 2020, this new calculation will result in \$5 million of transfers from the General Fund to the Open Space & Parks Fund.

Applying all the revenue assumptions and expenditure targets from the Long-Term Financial Plan to the 2016 Recommended General Fund Budget results in the following long-term financial forecast.



## Recurring Revenue vs Recurring Expenditures

Staff recognizes that the General Fund contains both revenue and expenditures that are classified as one-time, or nonrecurring. An important element of the General Fund's long-term fiscal sustainability is that its recurring revenue supports its recurring expenditures.

To ensure compliance with this element of fiscal sustainability, staff has developed definitions of recurring revenue, recurring expenditures, and the resulting operating

surplus or deficit. These definitions and formulas are not perfect, but they do give some insight into the fiscal sustainability of the General Fund.

The formula for calculating Recurring Operational Revenue in the General Fund:

Total Projected Revenue

Less: Nonrecurring, Building-Related Revenue (Construction Permits)

Less: Nonrecurring and Non-Operational Grants

Less: Nonrecurring Asset Sales

Less: Nonrecurring Interfund Transfers

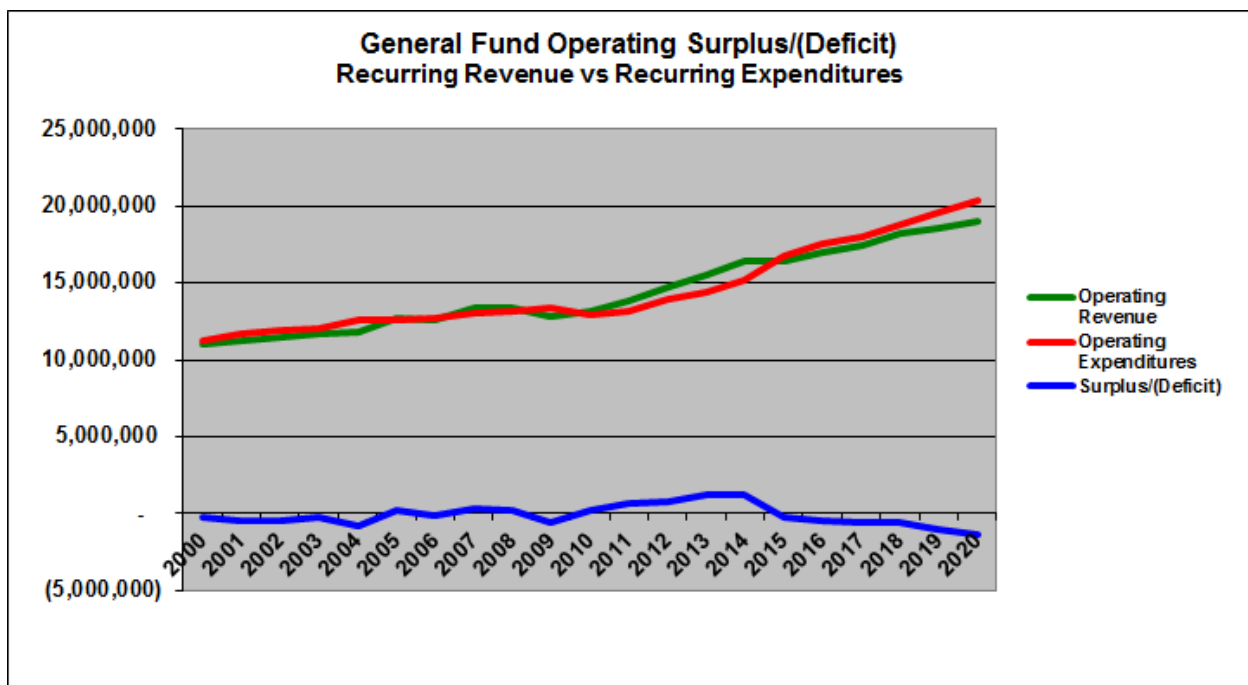
The formula for calculating Recurring Operational Expenditures in the General Fund:

Total Projected Expenditures

Less: Nonrecurring Interfund Transfers

Less: 3% Turnback (positive actual-to-budget variance)

Comparing Recurring Operational Revenue with Recurring Operational Expenditures results in an annual Operating Surplus/(Deficit)



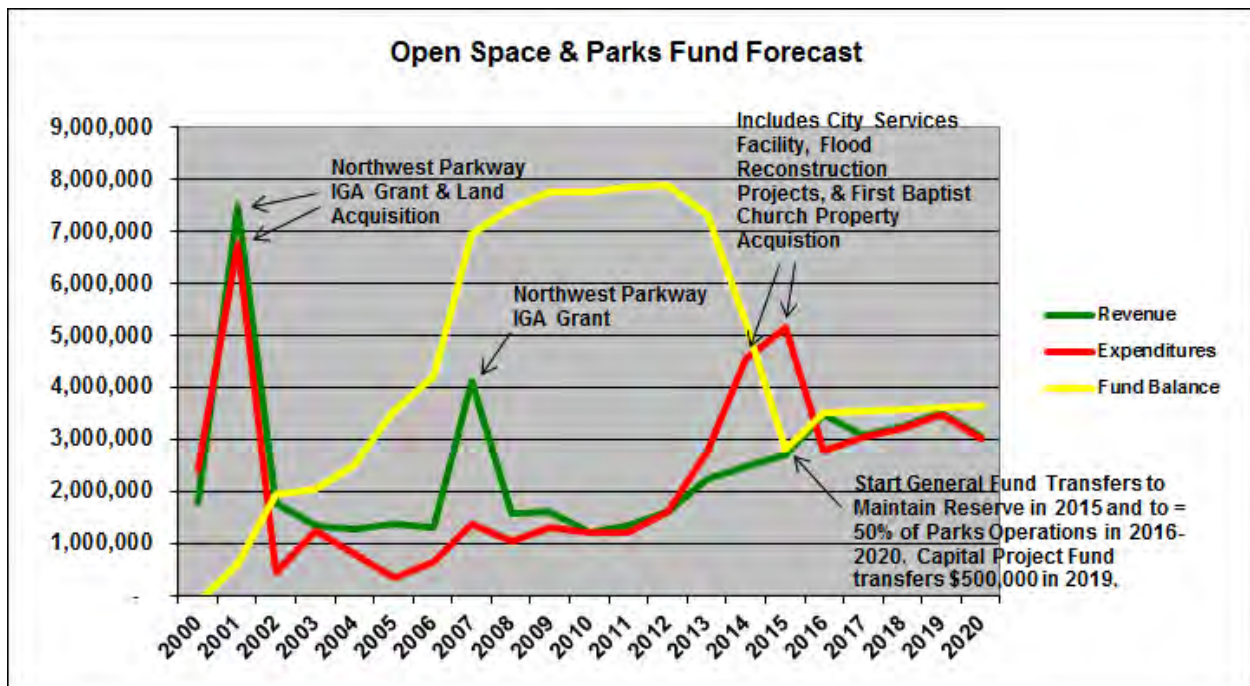
## Open Space & Parks Fund

Staff estimates that, by year-end 2015, the Open Space & Parks Fund balance will decline to \$2.8 million. Beginning in 2016, to address concerns that it is not clear proportion of Open Space and Parks expenditures come from the Open Space and Parks Fund and what proportion are funded with General Fund transfers, staff is proposing to establish an ongoing operational subsidy transfer from the General Fund to the Parks & Open Space Fund calculated as 50% of the Parks Operations budget. This



results in \$5 million of transfers from the General Fund to the Open Space & Parks Fund from 2016 through 2020. In addition, staff expects to transfer \$1.7 million from the Impact Fee Fund and \$500,000 from the Capital Projects Fund for the period 2016 through 2020. With these transfers, the Open Space & Parks Fund is expected to maintain a reserve balance of approximately \$3.5 million.

Applying the Recommended 2016-2020 Capital Improvements Plan and the all the revenue assumptions and expenditure targets from the Long-Term Financial Plan to the 2016 Recommended Open Space & Parks Fund Budget results in the following long-term financial forecast.

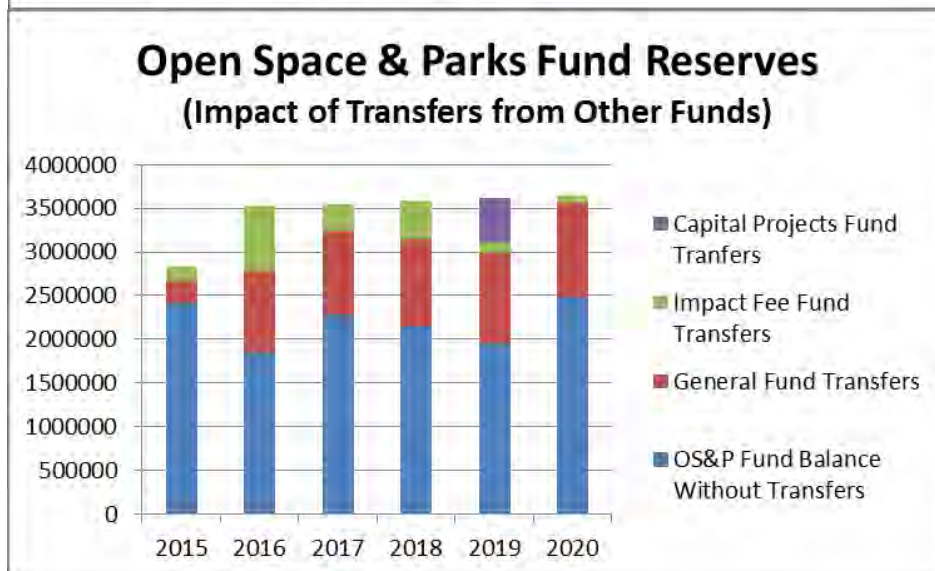
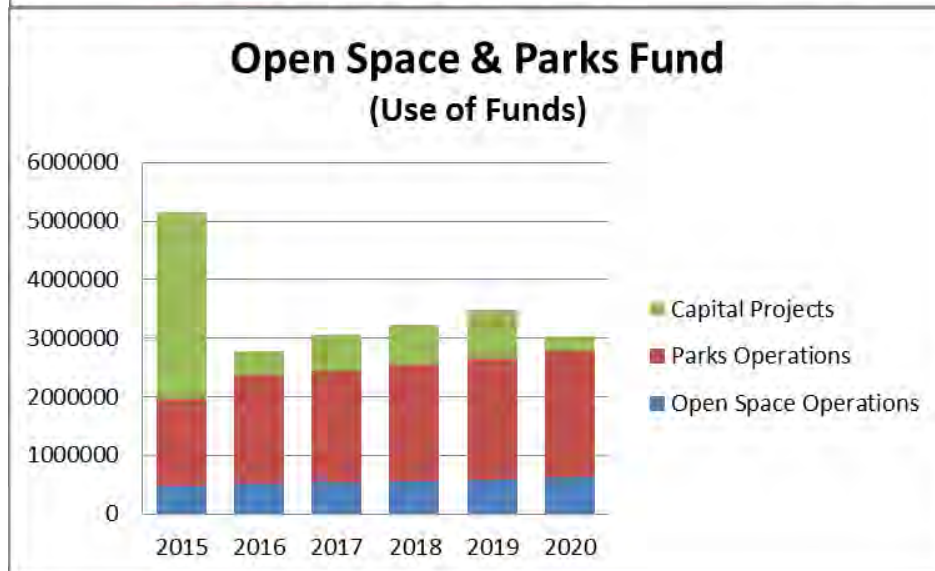
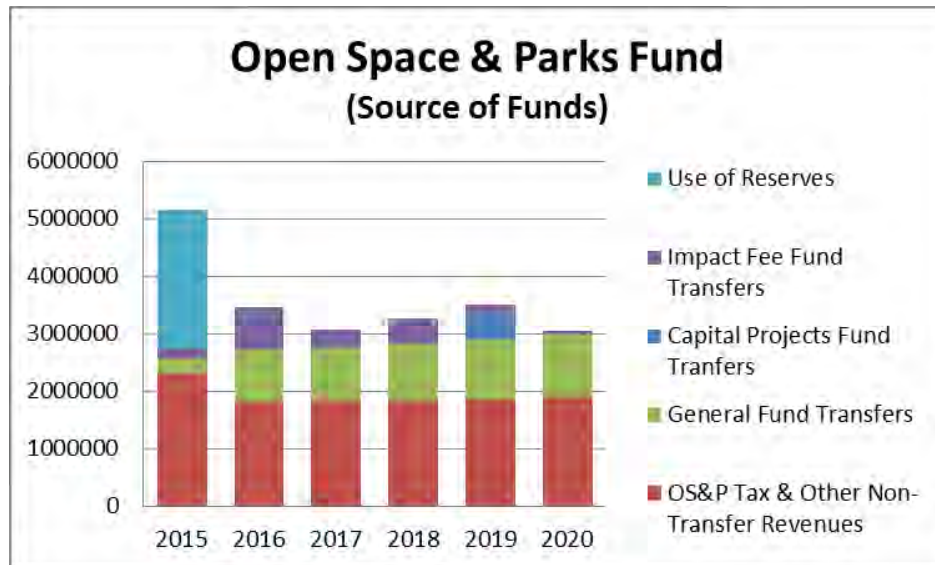


As noted above, to address concerns that it is not clear proportion of Open Space and Parks expenditures come from the Open Space and Parks Fund and what proportion are funded with General Fund transfers, staff is proposing to establish an ongoing operational subsidy transfer from the General Fund to the Parks & Open Space Fund calculated as 50% of the Parks Operations budget. The table below reflects the dollar amounts associated with this approach.

Open Space & Parks Fund						
Account Description	2015 Estimate	2016 Budget	2017 Projection	2018 Projection	2019 Projection	2020 Projection
<b>Open Space and Parks Tax and Other Revenue</b>						
Taxes	1,788,670	1,793,800	1,801,357	1,810,518	1,827,171	1,871,267
Intergovernmental Revenue	267,760	-	-	-	-	-
Miscellaneous Revenue	55,480	15,000	22,031	26,549	26,902	27,133
Other Financing Sources	202,770	-	-	-	-	-
<b>OS&amp;P Tax &amp; Other Non-Transfer Revenues</b>	<b>2,314,680</b>	<b>1,808,800</b>	<b>1,823,388</b>	<b>1,837,067</b>	<b>1,854,073</b>	<b>1,898,400</b>
<b>Transfers to Open Space &amp; Parks Fund</b>						
General Fund Transfers	249,670	924,635	951,875	991,826	1,033,982	1,078,027
Capital Projects Fund Transfers	-	-	-	-	500,000	-
Impact Fee Fund Transfers	161,000	739,000	297,000	440,000	128,000	81,000
<b>Total Transfers</b>	<b>422,360</b>	<b>1,663,635</b>	<b>1,248,875</b>	<b>1,431,826</b>	<b>1,661,982</b>	<b>1,159,027</b>
<b>Expenditures from Open Space and Fund</b>						
Open Space Operations	470,070	520,390	540,227	563,155	587,286	612,516
Parks Operations	1,480,840	1,849,270	1,903,750	1,983,652	2,067,965	2,156,054
Capital Projects	3,197,040	408,300	613,400	675,000	830,000	264,100
<b>Total</b>	<b>5,147,950</b>	<b>2,777,960</b>	<b>3,057,378</b>	<b>3,221,806</b>	<b>3,485,251</b>	<b>3,032,669</b>
Use of Reserves	2,410,910	-	-	-	-	-
<b>Open Space &amp; Parks Fund Year End Balance</b>	<b>2,830,547</b>	<b>3,525,022</b>	<b>3,539,908</b>	<b>3,586,995</b>	<b>3,617,800</b>	<b>3,642,558</b>
General Fund % of Parks Operations & Admin	17%	50%	50%	50%	50%	50%
OS&P % Spent on Open Space Operations & Admin	20%	29%	30%	31%	32%	32%
General Fund % of Total Expenditures	5%	33%	31%	31%	30%	36%
OS&P Tax & Other Revenue % of Total Expenditures	45%	65%	60%	57%	53%	63%
Capital Outlay % of Total Expenditures	62%	15%	20%	21%	24%	9%

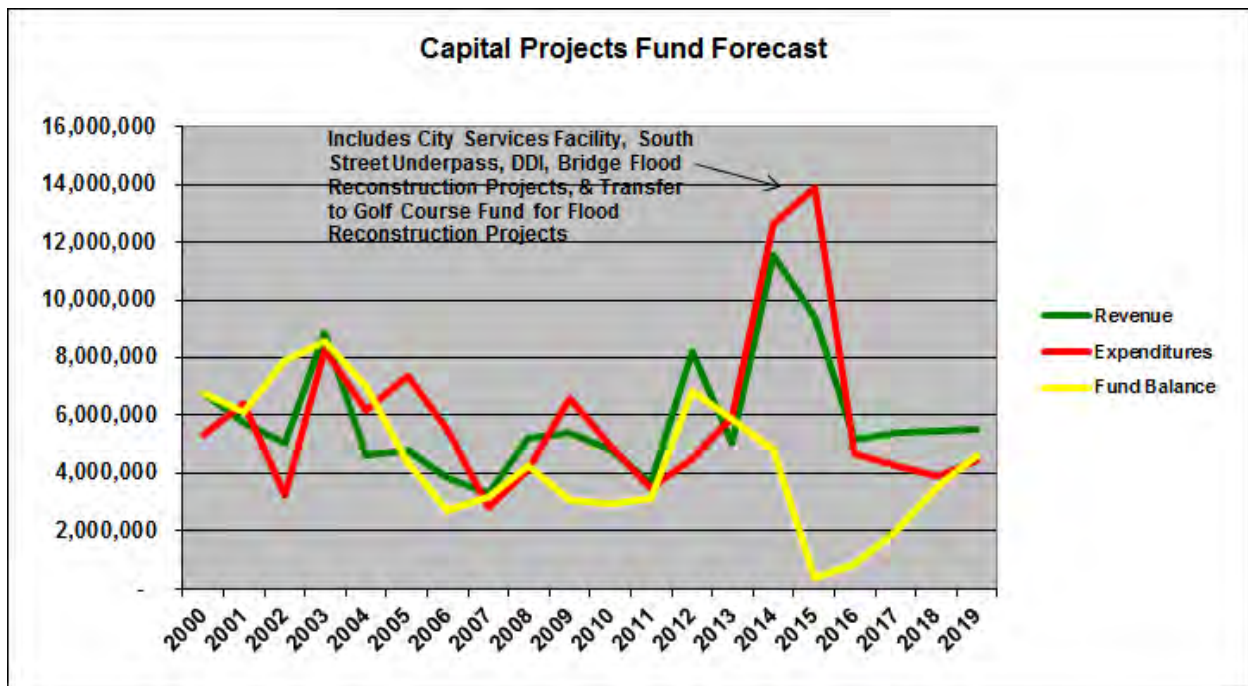
The following graphs further illustrate the sources and uses of funds and the impact of transfers from other funds on the year-end fund balance in the Open Space and Parks Fund.



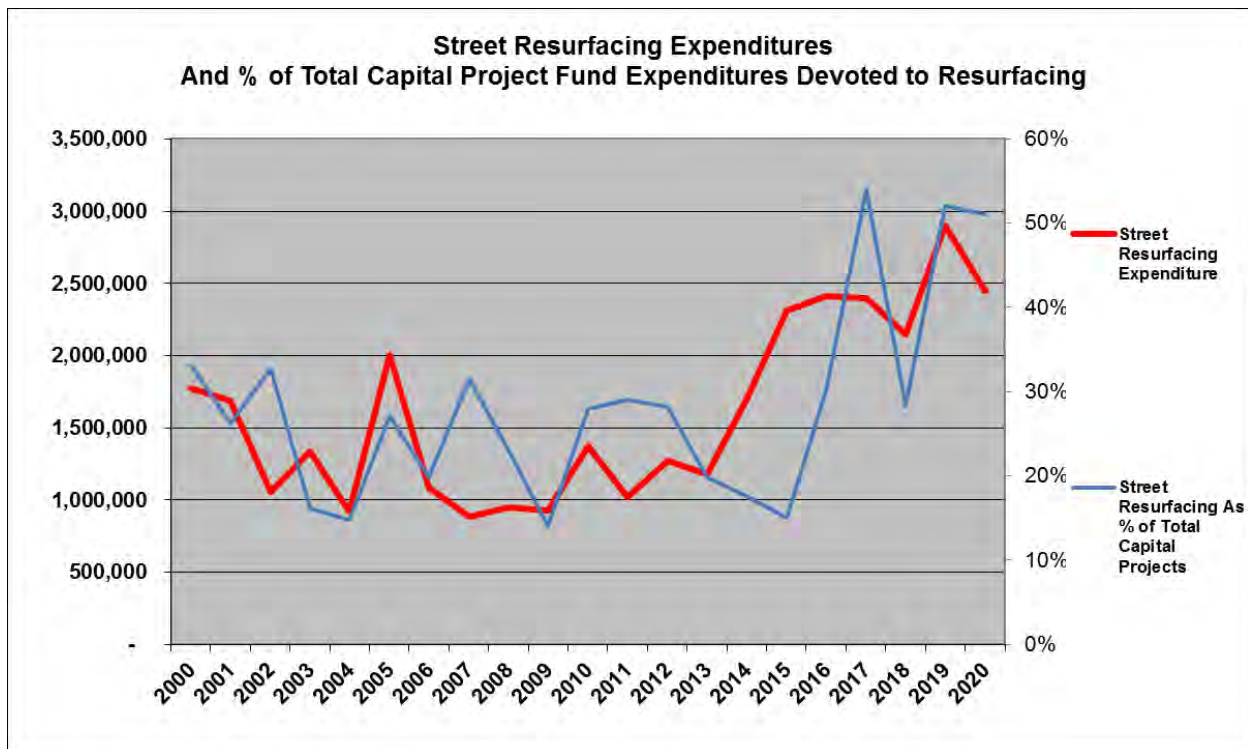


## Capital Projects Fund

Staff estimates that the Capital Projects Fund balance will decline to approximately \$2.4 million by the end of 2015. Applying the Recommended 2016-2020 Capital Improvements Plan and the all the revenue assumptions and expenditure targets from the Long-Term Financial Plan to the 2016 Recommended Capital Projects Fund Budget results in the following long-term financial forecast.



Street Resurfacing Expenditures. A significant portion of the Capital Projects Fund is devoted to resurfacing the City streets. The current year 2015 budget, 2016 proposed budget and future year proposed CIP include a significantly higher amount and proportion of the total Capital Projects Fund devote to this activity. The graph below reflects this emphasis.



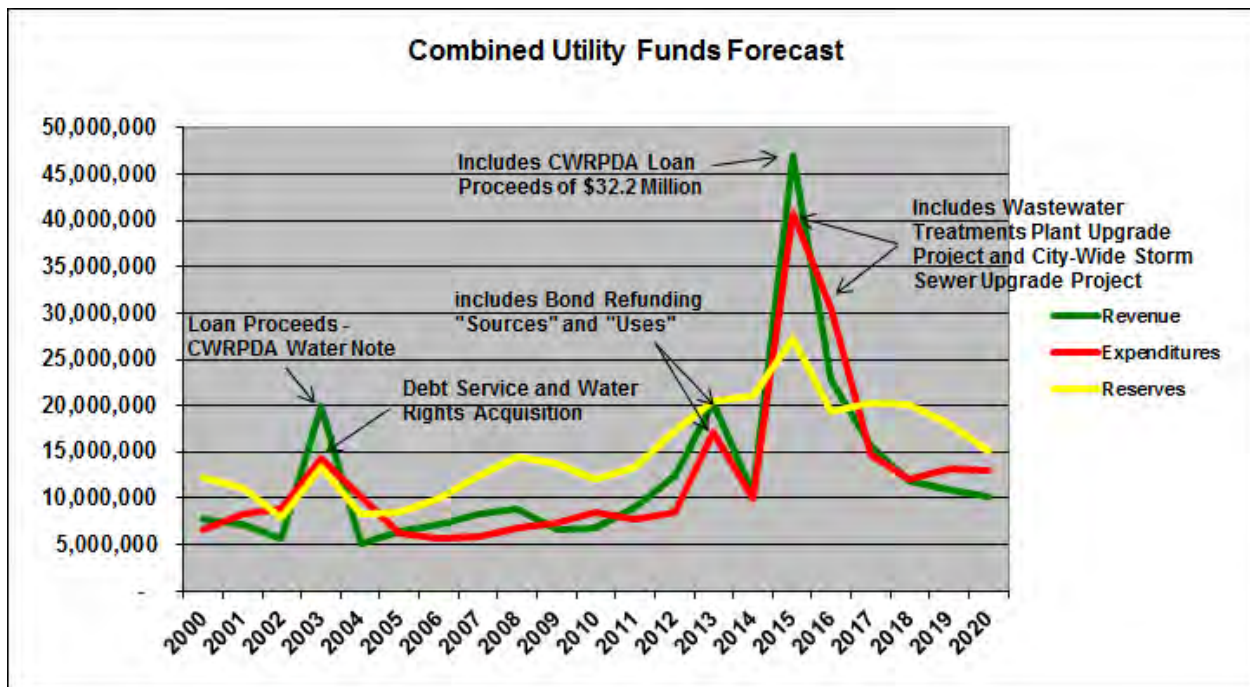
### **Water, Wastewater, and Storm Water Funds (Combined Utility Fund)**

Due to the proceeds from the \$32.2 million loan from Colorado Water Resources & Power Development Authority, staff estimates that the reserves in the Combined Utility Fund will increase to \$27.2 million at the end of 2015. Once the proceeds are spent completing the Wastewater Plant Upgrade and the Storm Sewer Outfall Improvements, the reserves are expected to decline below \$20 million by the end of 2016. Reserves are then expected to slowly decline to approximately \$15 million by 2020.

As previously stated, the utility rates are proposed to increase in 2016, as follows:

- Water user rates = 11% increase
- Wastewater user rates = 20% increase
- Storm Water user rates = 12% increase

Applying the Recommended 2016-2020 Capital Improvements Plan and the all the revenue assumptions and expenditure targets from the Long-Term Financial Plan to the 2016 Recommended Combined Utility Fund Budget results in the following long-term financial forecast.



## Golf Course Fund

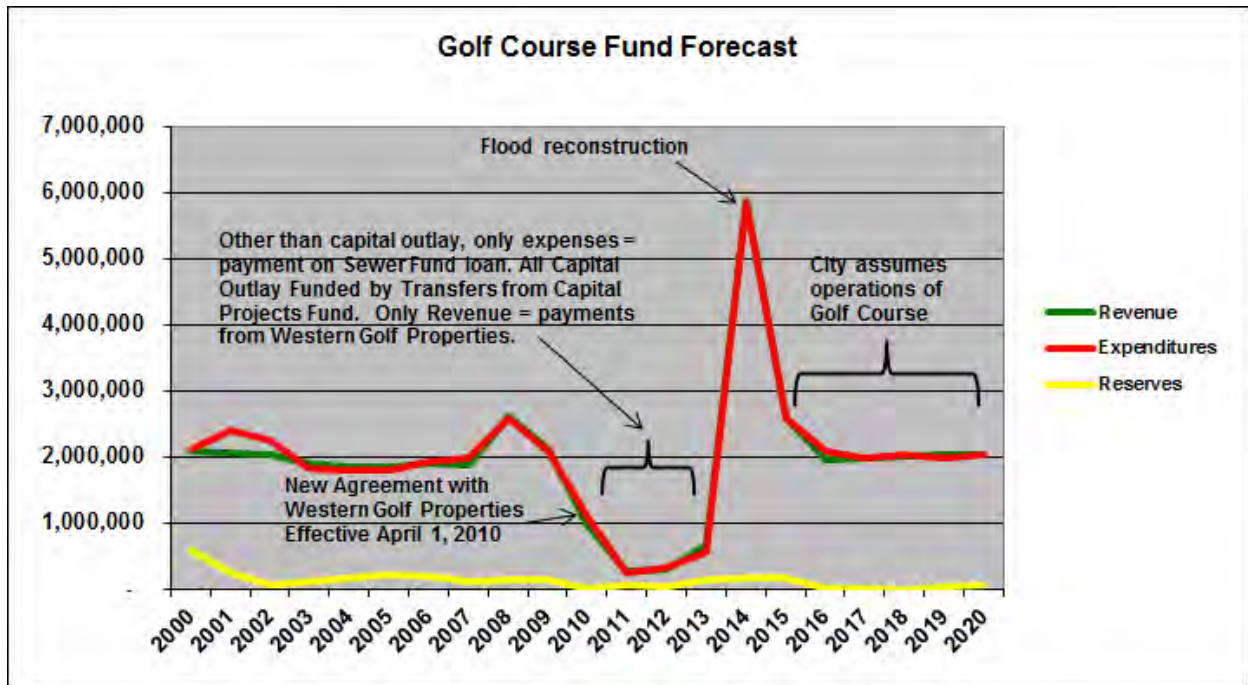
Based on preliminary results, staff has updated the 2015 estimates for Golf Course revenue and expenditures, which in some cases are significantly different than the 2015 adopted budget. The 2016 Recommended Budget represents the first full-year budget for the Golf Course under City management.

As presented in a preceding schedule, staff estimates that the Golf Course will require \$1.26 million in transfers from other funds during 2015. Those transfers are expected to come from the General Fund (\$408,000) and the Capital Projects Fund (\$852,000). No additional transfers to the Golf Course Fund are proposed for 2016 or expected for 2017 through 2020.

Please note that the 2016 Recommended Budget does not include the revenue and expenditure adjustments for the City management and operation of the Golf Course restaurant. These adjustments will be added a later date when the information is available.

Applying the Recommended 2016-2020 Capital Improvements Plan and the all the revenue assumptions and expenditure targets from the Long-Term Financial Plan to the 2016 Recommended Golf Course Fund Budget results in the following long-term financial forecast.



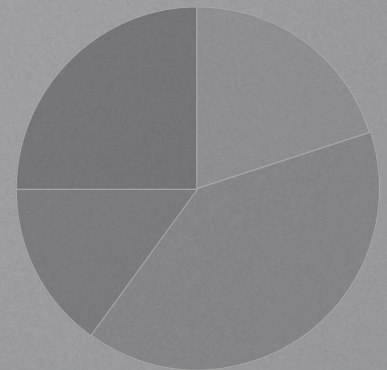
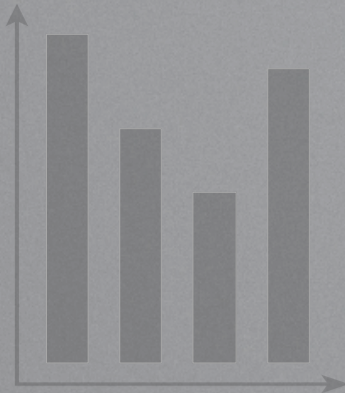


City of Louisville, Colorado				
2016 Budget Distribution by Program, Cost Center and Sub-Program				
(Excludes Interfund Transfers and Internal Service Funds)				
Program	Sub-Program	Sub Program Amount		Total Program Amount
<b>Transportation</b>	Planning & Engineering	321,575	1	<b>8,128,455</b>
	Transportation Infrastructure Maintenance	7,609,280		
	Streetscapes			
	Snow & Ice Removal	197,600	2	
<b>Utilities</b>	Water	9,789,290		<b>32,069,180</b>
	Wastewater	17,551,560		
	Stormwater	3,160,550		
	Solid Waste, R & C	1,567,780		
<b>Public Safety &amp; Justice</b>	Municipal Court	236,091.70	3	<b>5,233,130</b>
	Patrol & Investigations	4,818,871		
	Code Enforcement	178,167		
<b>Parks</b>	Parks	2,511,348	4	<b>3,032,110</b>
	Forestry	151,380		
	Horticulture	137,422		
	Cemetery	231,960		
<b>Open Space &amp; Trails</b>	Acquisition	-	5	<b>898,090</b>
	Maintenance & Mgt.	438,556		
	Education & Outreach	29,795	6	
	Trail Maintenance	52,039	7	
	New Trails	377,700		
<b>Recreation</b>	Youth Activities	868,756	8	<b>5,089,616</b>
	Adult Activities	514,936	8	
	Senior Activities & Services	877,221	9	
	Aquatics	955,401	9	
	Golf Course	1,873,300		

Cultural Services	Cultural Arts & Special Events	160,240		2,741,130
	Library Services	2,495,140		
	Museum Services	85,750		
Community Design	Community Design	182,630	10	1,611,500
	Development Review	948,960	11	
	Historic Preservation	637,480	12	
Economic Prosperity	Economic Prosperity	198,290		4,455,250
	URA	4,256,960	13	
Administration & Support Services	Governance & Administration	631,210		3,731,410
	Public Information & Involvement	265,810		
	Legal Support	200,000		
	City Clerk/Public Records	256,730		
	Information Technology	732,110		
	Human Resources & Organizational Development	437,090		
	Finance, Accounting & Tax Administration	856,050		
	Facilities Maintenance	239,270		
	Fleet Maintenance	113,140		
	Sustainability	23,400		
1. Includes 50% of PW Engineering; the other 50% is allocated to Development Review sub-program. 2. Needs to include Parks expenditures in this area. 3. Includes proportional share of PD Building maintenance based on share of budget. 4. A portion of this should be allocated to Snow and Ice Removal and another portion to Development Review. 5. Acquisitions are funded as they become available from Open Space & Parks Fund Reserves. 6. Includes Open Space Naturlist and 10% of Open Space Manager and Open Space Specialist. 7. Assumes 10% o fOpen Space Operations and Administration. 8. Reflects direct cost of sub program plus 50% of Athletic Field Maint, plus 25% each of Parks & Rec Administration, Rec Center Management, Rec Center Building Maintenance, and Parks & Rec Capital Projects. 9. Reflects direct cost of sub program plus 25% each of Parks & Rec Administration, Rec Center Management, Rec Center Building Maintenance, and Parks & Rec Capital Projects. 10. Includes 35% of Planning Administration. 11. Includes Building Safety, 40% of Planning Administration and 50% of Engineering. 12. Includes 100% of HP and 25% of Planning Administration (even though those costs are not actually budgeted from the HPF). 13. Budgeted Separately; includes Bonds and Debt Service				

# 2015 PAVEMENT MANAGEMENT SYSTEM

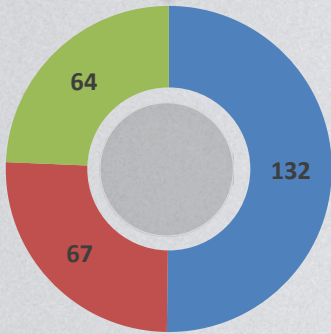
Louisville, Colorado





# Pavement Statistics

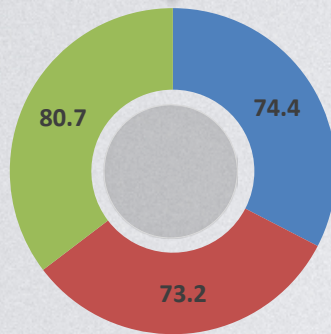
## LANE MILES



### Classifications

Locals (& Industrial)  
Collectors  
Arterials

## AVERAGE OCI



### Classifications

Locals (& Industrial)  
Collectors  
Arterials

## Overall Condition Index (OCI)

An (OCI) is calculated for each street segment based on the following criteria:

Distress Information: Quantity and severity of cracks, patches, etc.

Pavement Age: Composition and Age of pavement section, traffic loading, etc.

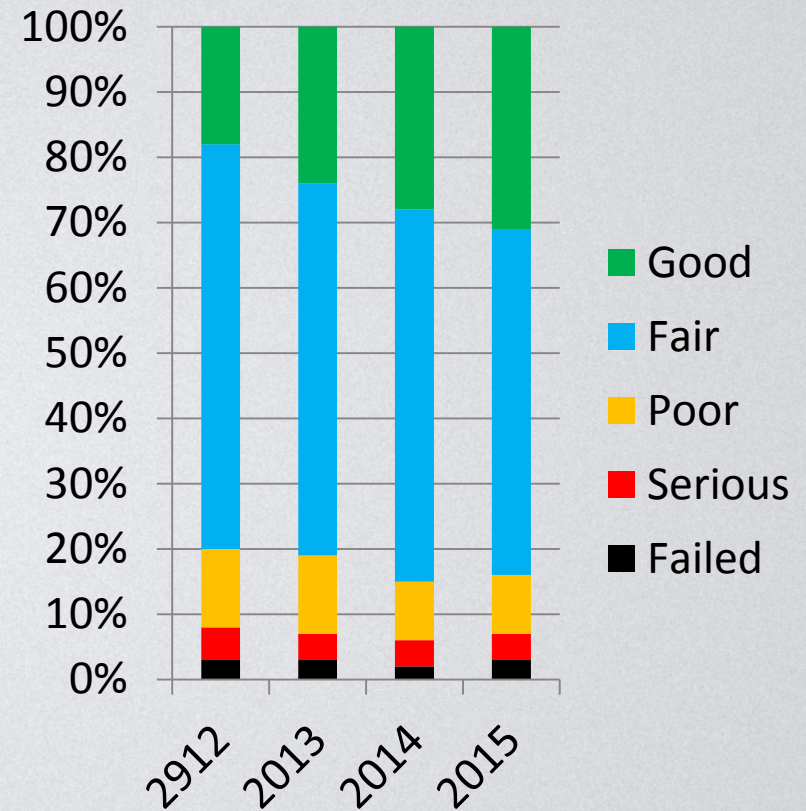
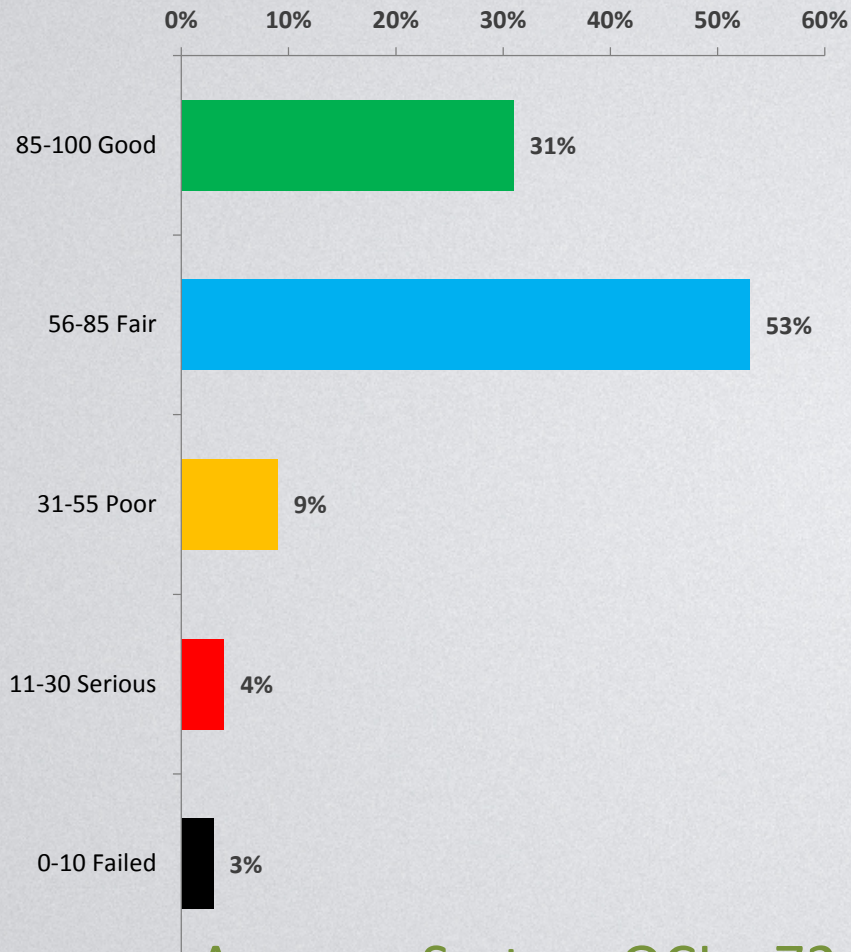
Work History: Patching, sealing, resurfacing, reconstruction, etc.

**Recommended System OCI: 75**





# PAVEMENT SYSTEM GRADING



Average System OCI = 72 (2013) 74 (2014) 75.7 (2015)





# Typical Street OCI 85-100

Crack Seal is not aesthetically pleasing however it can prolong the life of a roadway by keeping moisture out of cracks.



Lincoln Ave. from Short St. to Caledonia St. (OCI is 88)





# Typical Street OCI 55-85



Does this picture look better than the 85-100 street segment? That's because this segment has fine cracks that have not been completely filled (see small photo above) and the pavement has started to become polished.

Garfield Ave. from Short St. to Caledonia St. (OCI is 69.26)





# Typical Street OCI 30-55



Short St. from Grant Ave. to Jefferson Ave. (OCI is 50.77 )





# Typical Street OCI 10-30



Short St. from Lincoln Ave. to Grant Ave. (OCI is 22.6)





# Typical Street OCI 0-10

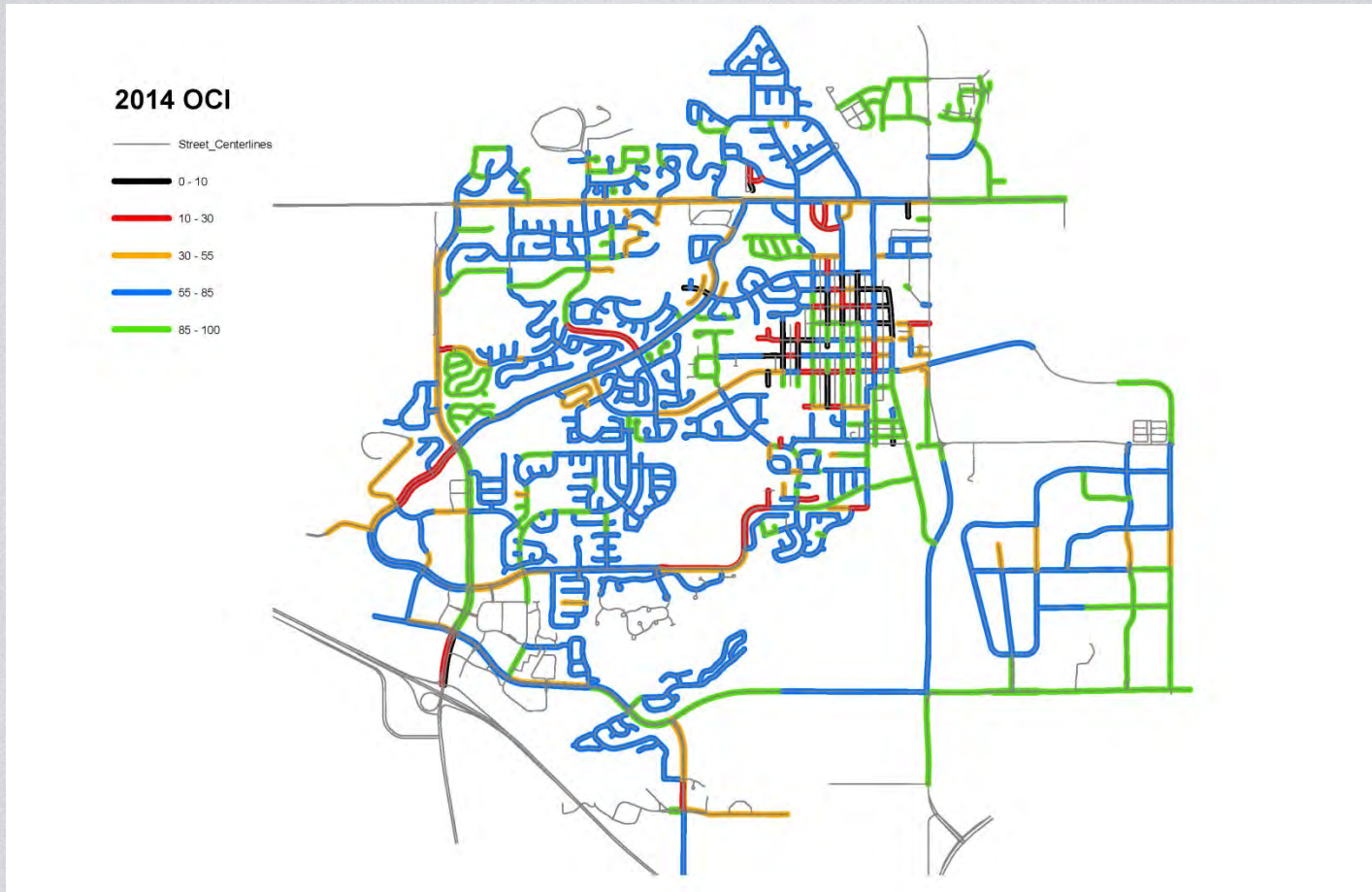


Caledonia St from Lincoln Ave to Grant Ave (OCI is 0)





# PAVEMENT SYSTEM

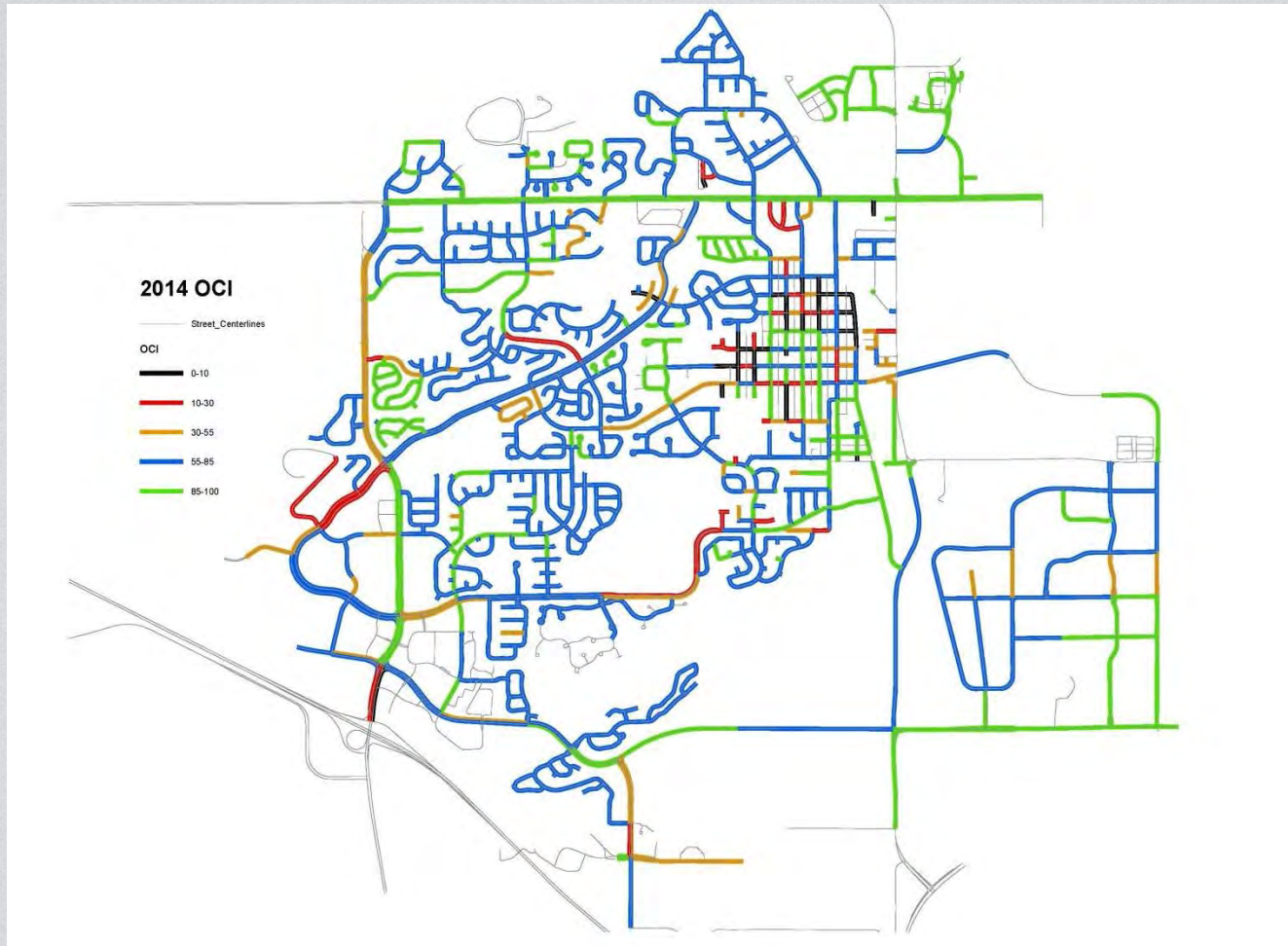


Average System OCI = 72 (Beginning of 2014)





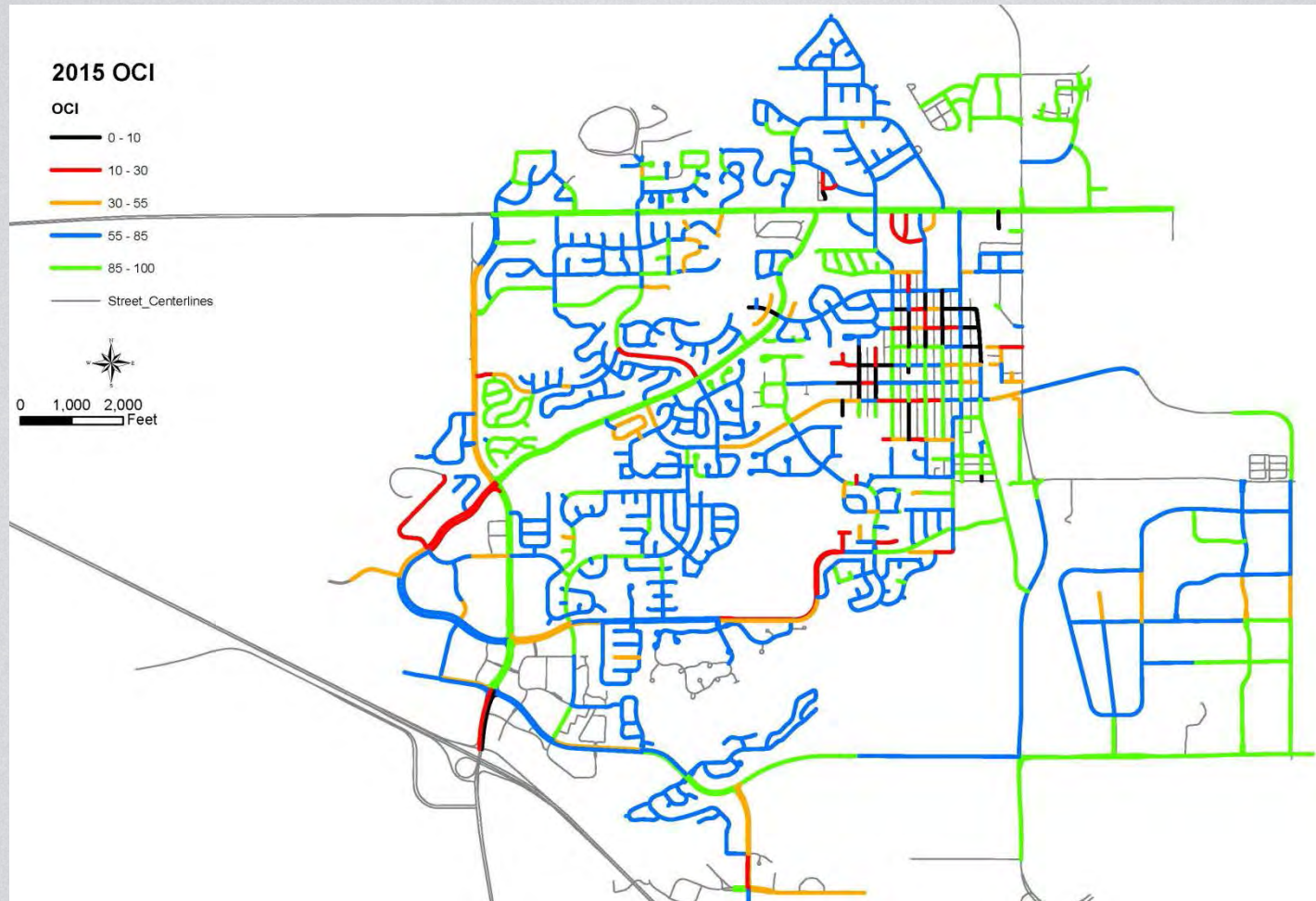
# PAVEMENT SYSTEM



Average System OCI = 74 (End of 2014)



# PAVEMENT SYSTEM



Average System OCI = 75.7 (End of 2015)





# PERFORMANCE OF PAVEMENTS

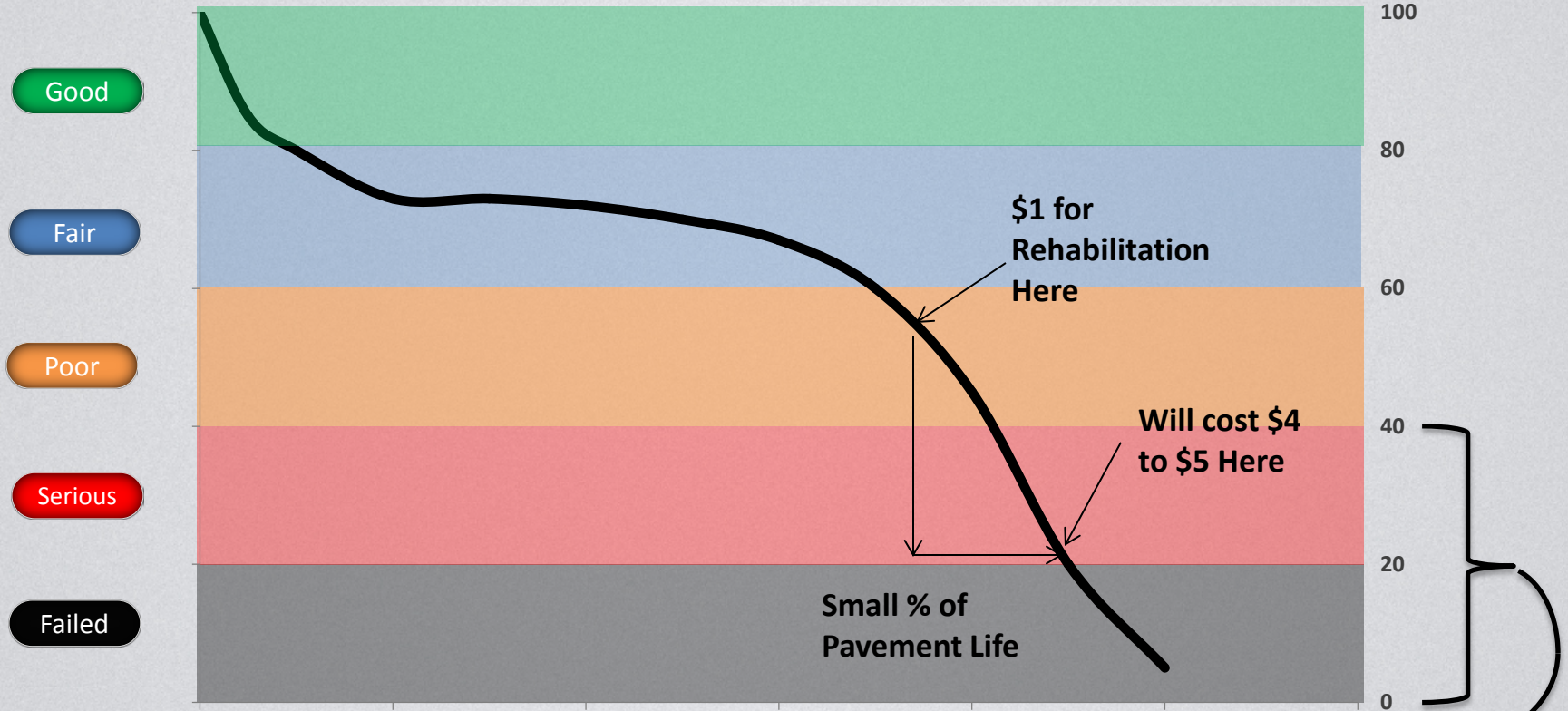
Based On: Lifecycle of pavements, soil types, traffic loading

\*Extend the life of a pavement through proper maintenance

\*\*Every street segment will fall somewhere on this curve

Best Strategy is the Right Treatment at the Right Time.

Standard Oci  
Rating Scale

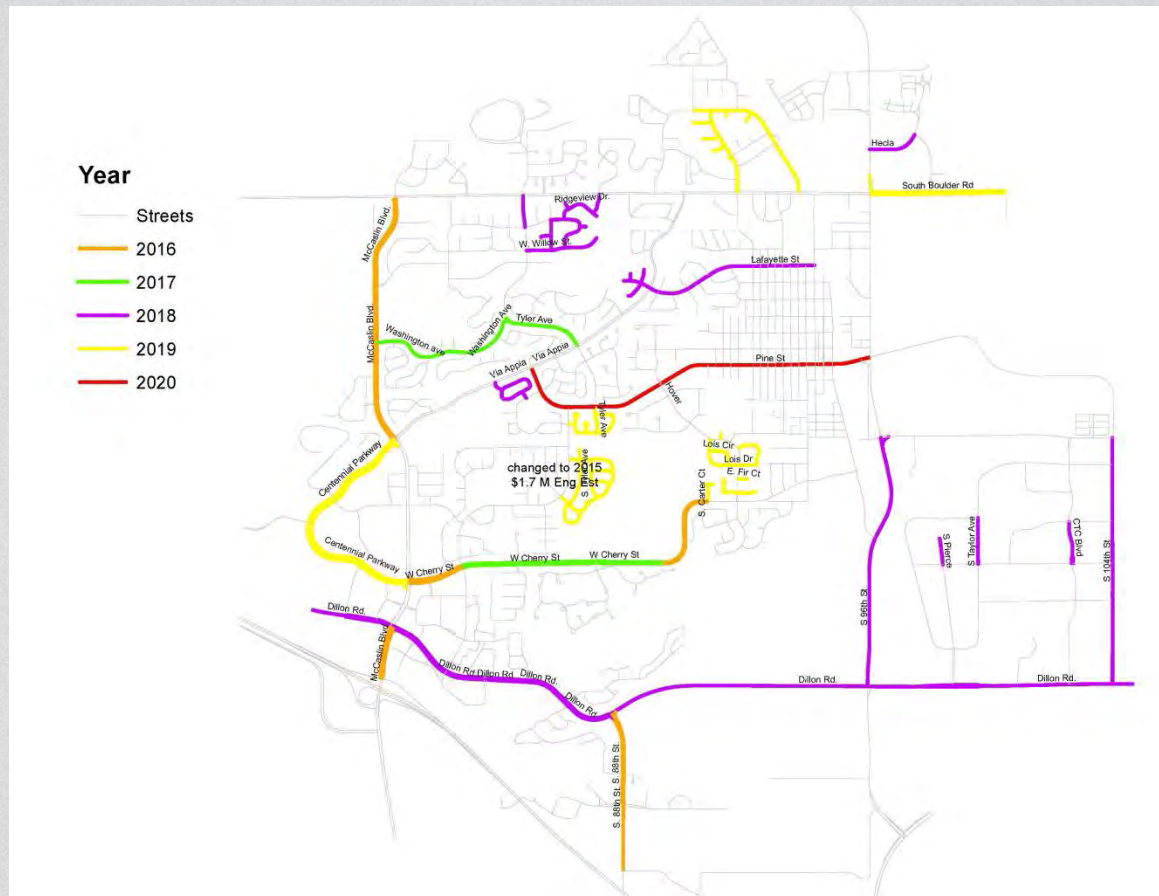


Time Realistically, the cost to Rehab /Recon does not change significantly once the street segment has reached this range.





# PROPOSED 5 YR RESURFACING PLAN



Note: Some segments shown in Plan Year 3 are in fair enough condition that resurfacing of the entire arterial will not be required. Unused funds may be used to resurface local streets.



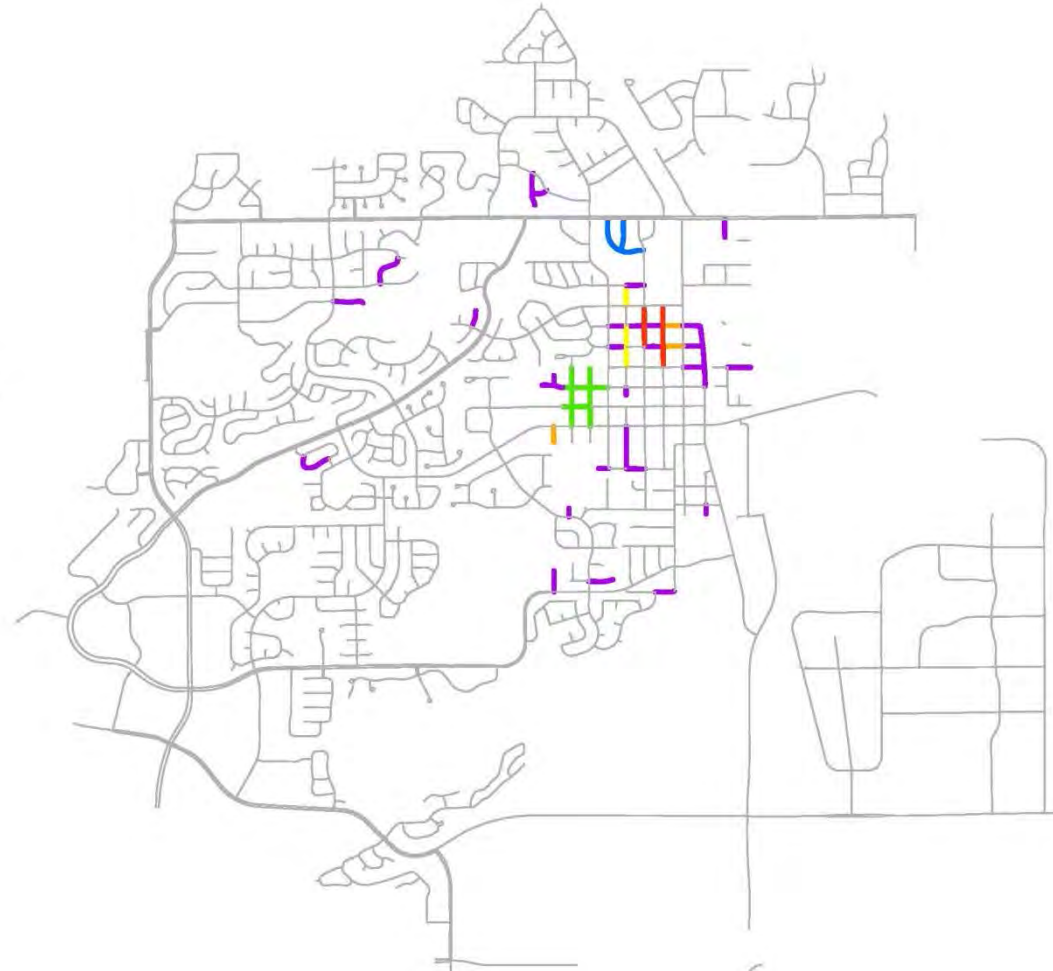
# PROPOSED 5 YR BOOSTER PLAN

## 5 YEAR PLAN

### Street Pavement

#### YEAR

- 2016
- 2017
- 2018
- 2019
- 2020
- Low OCI not assigned



Note: Based on the proposed budgets from 2016 to 2020 and assuming a \$350K annual budget thereafter, it would take 19 years to reconstruction all segments currently with an OCI under 35. This estimate is conservative as not all segments will require full reconstruction and \$100K out of the \$350K is assumed to go toward concrete replacement.





# PROPOSED BUDGET ALLOCATION (Min System OCI of 75)

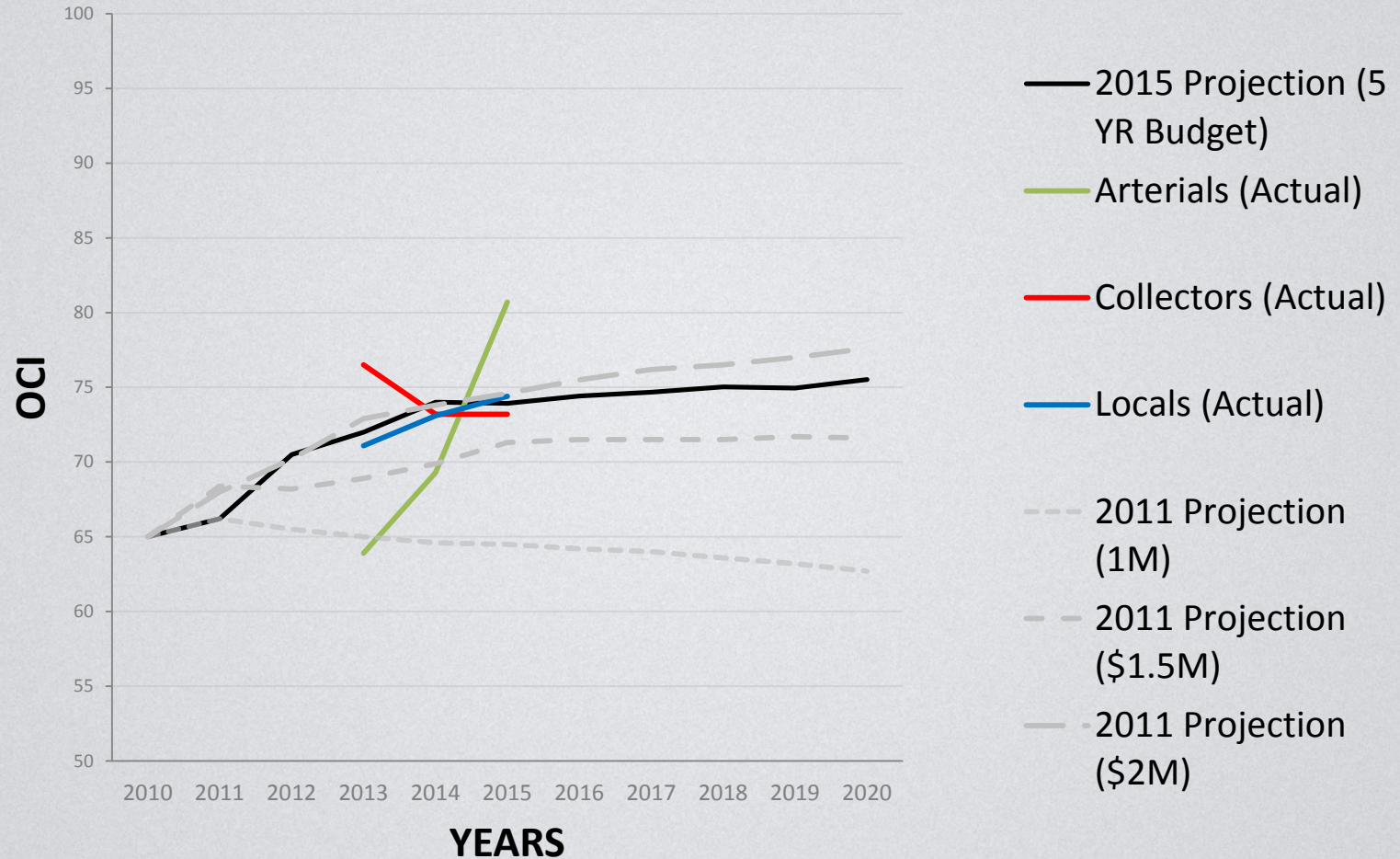
	2016	2017	2018	2019	2020
Street Reconstruction	\$1,950,000	\$1,800,000	\$1,850,000	\$1,900,000	\$1,950,000
Pavement Booster Program	\$ 460,000	\$ 600,000	\$ 300,000	\$ 1,000,000	\$500,000
Total	\$2,410,000	\$2,400,000	\$2,150,000	\$2,900,000	\$2,450,000

Note: \$100K of the streets resurfacing budget would go towards crackseal. A portion of both the street resurfacing budget and pavement booster budget would go toward concrete replacement.



# OCI PROJECTION

2016-2020 OCI Projections Based on Proposed 5 Yr Budget (Page 14)





# THANK YOU!

For your attention





**SUBJECT: PRELIMINARY 2015 ASSESSED VALUATION**

**DATE: SEPTEMBER 21, 2015**

**PRESENTED BY: KEVIN WATSON, FINANCE DIRECTOR**

**SUMMARY:**

The City has received its preliminary 2015 assessed valuation amounts from the Boulder County Assessor (see attached). These assessed valuations, along with the City's mill levy, determine the amount of property tax revenue that will be received in 2016.

The City of Louisville's net assessed valuation increased from \$464,139,230 in 2014 to \$540,507,225 in 2015. This calculates to a 16.5% increase in property tax revenue for 2016, which equals an additional \$390,000 of property tax revenue in the General Fund and an additional \$115,000 of property tax revenue in the Debt Service Fund, assuming the mill levies stay the same.

The Urban Revitalization District's gross assessed valuation increased from \$32,738,541 in 2014 to \$44,575,397 in 2015, a 36.2% increase. The net assessed value, or the "base", increased from \$28,419,543, to \$35,463,106, or 24.8%. The difference between the gross assessed value and the base assessed value is the TIF increment, which increased from \$4,318,998 in 2014 to \$9,112,291 in 2015, an increase of 99.7%, which will generate approximately \$763,000 in property tax revenue during 2016 (depending on the total mill levy within the District).

The final assessed valuations will be received in November.

Property tax revenue is the product of the mill levy and the assessed valuation. The mill levy for the General Fund is currently 5.184, the mill levy for the Debt Service Fund is currently 1.526, resulting in a total City mill levy of 6.710. One mill equals one dollar per one-thousand dollars of assessed value. Assessed value for residential property is approximately 8% of its market value. Assessed value of commercial property is 29% of its market value.

**SUBJECT: PRELIMINARY 2015 ASSESSED VALUATION****DATE: SEPTEMBER 21, 2015****PAGE 2 OF 2**

For a property within the boundaries of the City of Louisville, and not in the Takoda Metropolitan District, the current total mill levy is 87.391 mills:

- Boulder Valley School District = 47.569
- Boulder County = 24.794
- City of Louisville = 6.710
- Louisville Fire District = 6.686
- Northern Colorado Water District = 1.000
- Urban Drainage & Flood Control = 0.632

Therefore, the City's mill levy represents approximately 7.7% of the total tax bill of properties within the City. For those properties within the Takoda Metro District, an additional levy of 50.000 mills is assessed by the District.

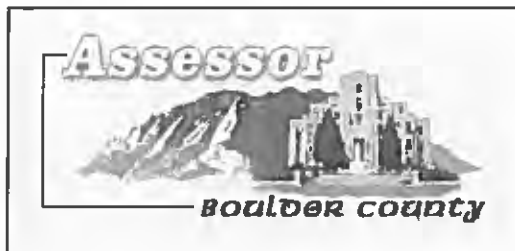
In 2001, the voters exempted all future property tax revenue from the limitations of the Taxpayers' Bill of Rights (TABOR). Although Louisville has "DeBruced", in effect making the TABOR revenue limitations not applicable to Louisville, Council asked staff to calculate the TABOR revenue limitations as if those limitations applied to Louisville's 2015 preliminary valuations.

Assuming a 2015 certified inflation rate of 2.00%, staff has calculated the TABOR Growth/CPI Factor as 4.37%. This is the percentage of increase in property tax revenue permitted under TABOR (\$105,150), which calculates to a TABOR Property Tax Revenue limitation of \$2,511,240 and a Mill Levy Limit of 4.646 for the General Fund.

Assuming the City levied 4.646 mills instead of 5.184 mills, the impact to the General Fund would be \$286,430 of less property tax revenue. The TABOR limitations would not apply to the Debt Service Fund, since the voters specifically approved a mill levy of up to 1.581 mills in 2003.

**ATTACHMENT(S):**

1. Certification of Valuations from Boulder County Assessor



## Jerry Roberts

P. O. Box 471, 13<sup>th</sup> and Pearl  
Boulder, Colorado 80306-0471

Phone: (303) 441-3530  
FAX: (303) 441-4996  
[www.boulderassessor.org](http://www.boulderassessor.org)



Member  
International Association  
Of Assessing Officers

August 21, 2015

City of Louisville  
Finance Director  
749 Main St.  
Louisville, CO 80027

This is to certify that, as of August 21, 2015 per C.R.S. 39-5-128(1) the assessed valuation of the

City of Louisville

for the purpose of taxation for the year 2015 is:

540,507,225

Per C.R.S. 39-5-128(3), this figure represents the value remaining after the following Urban Renewal Area/Downtown Authority tax increments have been deducted from the total valuation for your district:

	BASE	INCREMENT
Louisville Highway 42 Urban Renewal Plan	35,463,106	9,112,291

This valuation is subject to change by the County Board of Equalization (C.R.S. 39-8-107(2)), the State Board of Assessment Appeals (C.R.S. 39-2-125), the State Board of Equalization (C.R.S. 39-9-103), and the correction of errors by the Assessor or Treasurer (C.R.S. 39-5-125.2).

Please note that your mill levy must be certified to the Board of County Commissioners no later than December 15, 2015. Please send your district mill levy to the Assessor's office. A copy of your budget must be filed with the Department of Local Affairs, Colorado Division of Local Government, 1313 Sherman St., Room 523, Denver, CO 80203 no later than January 30, 2016. Your certification must clearly indicate the tax rate for general operating expenses separate from the tax rate for bonded indebtedness and the total.

If you have any questions about the value or other information on this letter, need to update your district contact information please contact Erin Gray at [egray@bouldercounty.org](mailto:egray@bouldercounty.org).

Sincerely,

Jerry Roberts  
Boulder County Assessor

# CERTIFICATION OF VALUATION BY COUNTY ASSESSOR

New Tax Entity ☐ YES ☒ NO

Date: August 18, 2015

NAME OF TAX ENTITY: CITY OF LOUISVILLE GENERAL OPERATING

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR:

1. PREVIOUS YEAR'S NET TOTAL ASSESSED VALUATION:	1. \$	\$464,139,230
2. CURRENT YEAR'S GROSS TOTAL ASSESSED VALUATION: ‡	2. \$	\$549,619,516
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3. \$	\$9,112,291
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4. \$	\$540,507,225
5. NEW CONSTRUCTION: *	5. \$	\$11,607,500
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6. \$	\$0
7. ANNEXATIONS/INCLUSIONS:	7. \$	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8. \$	\$0
9. NEW PRIMARY OIL AND GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.) ☉:	9. \$	\$0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10. \$	\$35
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11. \$	-\$18,158

‡ This value reflects personal property exemption IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

\* New Construction is defined as Taxable real property structures and personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use forms DLG52 &amp; 52A.

☉ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form (DLG 52B).

## USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC. 20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1. \$	\$4,311,948,586
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2. \$	\$100,298,300
3. ANNEXATIONS/INCLUSIONS:	3. \$	\$0
4. INCREASED MINING PRODUCTION: §	4. \$	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	5. \$	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6. \$	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7. \$	\$0

## DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8. \$	-\$988,700
9. DISCONNECTIONS/EXCLUSIONS:	9. \$	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	10. \$	\$1,420,400
¶ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.		
* Construction is defined as newly constructed taxable real property structures.		
§ Includes production from a new mines and increase in production of existing producing mines.		

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1. \$	\$0
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NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

Form DLG 57 (Rev. 8/08)



## Jerry Roberts

P. O. Box 471, 13<sup>th</sup> and Pearl  
Boulder, Colorado 80306-0471

Phone: (303) 441-3530  
FAX: (303) 441-4996  
[www.boulderassessor.org](http://www.boulderassessor.org)



Member  
International Association  
Of Assessing Officers

August 21, 2015

Highway 42 Revitalization Area URP  
Finance Director  
749 Main St.  
Louisville, CO 80027

This is to certify that, as of August 21, 2015 per C.R.S. 39-5-128(1) the assessed valuation of the

Highway 42 Revitalization Area URP

for the purpose of taxation for the year 2015 is:

35,463,106

Per C.R.S. 39-5-128(3), this figure represents the value remaining after the following Urban Renewal Area/Downtown Authority tax increments have been deducted from the total valuation for your district:

	BASE	INCREMENT
Louisville Highway 42 Urban Renewal Plan	35,463,106	9,112,291

This valuation is subject to change by the County Board of Equalization (C.R.S. 39-8-107(2)), the State Board of Assessment Appeals (C.R.S. 39-2-125), the State Board of Equalization (C.R.S. 39-9-103), and the correction of errors by the Assessor or Treasurer (C.R.S. 39-5-125.2).

Please note that your mill levy must be certified to the Board of County Commissioners no later than December 15, 2015. Please send your district mill levy to the Assessor's office. A copy of your budget must be filed with the Department of Local Affairs, Colorado Division of Local Government, 1313 Sherman St., Room 523, Denver, CO 80203 no later than January 30, 2016. Your certification must clearly indicate the tax rate for general operating expenses separate from the tax rate for bonded indebtedness and the total.

If you have any questions about the value or other information on this letter, need to update your district contact information please contact Erin Gray at [egray@bouldercounty.org](mailto:egray@bouldercounty.org).

Sincerely,

Jerry Roberts  
Boulder County Assessor

# CERTIFICATION OF VALUATION BY COUNTY ASSESSOR

New Tax Entity ☐ YES ☒ NO

Date: August 18, 2015

NAME OF TAX ENTITY: HIGHWAY 42 REVITALIZATION AREA URP

## USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR:

1. PREVIOUS YEAR'S NET TOTAL ASSESSED VALUATION:	1. \$	\$28,419,543
2. CURRENT YEAR'S GROSS TOTAL ASSESSED VALUATION: ‡	2. \$	\$44,575,397
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3. \$	\$9,112,291
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4. \$	\$35,463,106
5. NEW CONSTRUCTION: *	5. \$	\$2,311,658
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6. \$	\$0
7. ANNEXATIONS/INCLUSIONS:	7. \$	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8. \$	\$0
9. NEW PRIMARY OIL AND GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.) ☉	9. \$	\$0
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10. \$	\$0
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11. \$	\$0

‡ This value reflects personal property exemption IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

\* New Construction is defined as: Taxable real property structures and personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation, use forms DLG52 &amp; 52A.

☉ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form (DLG 52B).

## USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC. 20, COLO. CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1. \$	\$200,383,666
<b>ADDITIONS TO TAXABLE REAL PROPERTY</b>		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2. \$	\$16,906,879
3. ANNEXATIONS/INCLUSIONS:	3. \$	\$0
4. INCREASED MINING PRODUCTION: §	4. \$	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	5. \$	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6. \$	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property):	7. \$	\$0
<b>DELETIONS FROM TAXABLE REAL PROPERTY</b>		
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8. \$	-\$54,400
9. DISCONNECTIONS/EXCLUSIONS:	9. \$	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	10. \$	\$0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

\* Construction is defined as newly constructed taxable real property structures.

§ Includes production from a new mines and increase in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1. \$	\$0
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NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

Form DLG 57 (Rev. 8/08)